

JPRS-NEA-89-056  
24 AUGUST 1989



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# ***JPRS Report***

## **Near East & South Asia**

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# Near East & South Asia

JPRS-NEA-89-056

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24 AUGUST 1989

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## REGIONAL AFFAIRS

### **Iraq Reportedly Cooperating With Israel To Support 'Awn**

44040483 Damascus AL-THAWRAH in Arabic  
18 Jun 89 p 3

[Article by Muhammad Rajab 'Abbas: "Iraqi Regime Backs Zionist Cliques in Lebanon To Strike at the Unity of the People and the Land"]

[Text] It seems that the endeavors of the Zionist isolationist forces in Lebanon to block the initiatives of the tripartite committee which was an outgrowth of the Casablanca Summit are aimed, among other things, at gaining time and getting arms and ammunition to start a new round of violence and threaten Lebanon's unity. This is in order to implement, in alliance with the Zionist enemy, the isolationist plan to block a settlement and impede national conciliation founded on Lebanon's unity and Arabism and outlining, as a radical solution, its future political system, thereby eliminating the elements and causes of the conflagrations.

The new chapter 'Awn is spearheading at this time constitutes the common denominator of all the phases the isolationist fascist cliques have gone through. For, the new round of fighting which the Yarzah general unleashed in the during the former 6-member committee's initiative and is still pursuing with the Casablanca tripartite committee reflects his insane determination to internationalize the Lebanese problem. This is notwithstanding that the Casablanca summit reaffirmed that the Lebanese cause is Arab, with no chance for internationalization whatever its justification or form, unless the purpose is to beset the Lebanese problem with additional crises. That is the intention of political sectarianism that is betting on time and on deriving strength from the imperialist powers at times and the Zionist enemy at other times. This is what General 'Awn, who is determined to prevent an Arab solution and is demanding internationalization, is doing nowadays by asking for foreign support primarily from the Zionists, France, and the Iraqi regime, which is working in coordination with the Zionist enemy to abort the course of the Lebanese national resistance movement which is seeking to complete its political and economic liberation and to move Lebanon from political sectarianism to Arab national affiliation.

### **Winds of Change**

A quick look at events preceding the Lebanese war, now in its 14th year, confirms that this war that set Lebanon afire was waged by political sectarianism when it became certain that the Lebanese national forces were ringing the bells of change to achieve the higher goal of adhering to Lebanon's Arabism. This is contrary to what the advocates of political sectarianism are doing to stay out of the Arab historical context, a move that has been rejected by a large number of Maronites who have shunned political

sectarianism, working side by side with the Lebanese national forces to abolish the confessional system and build a strong Lebanon. For, a country that fails to build up its human resources is incapable of building up anything else, be it in the sphere of modern political and social structures, national unity awareness, or raising the people's standard of living.

True, the Lebanese national struggle has been going on without stop ever since the 1943 formula was established. But the four years preceding the war which the fascist forces started were the result of struggles in the Lebanese arena. For, the 1971 to 1975 period witnessed a tremendous popular awakening and a struggle that included all popular sectors, particularly in the wake of successive Zionist aggressions on southern Lebanon and the assassination of Palestinian leaders in Beirut on 10 April 1973. There were widespread strikes in Lebanon, including the teachers' strike, the Ghandour workers' strike, the tobacco farmers' strike and the labor unions' strike. The October War period of liberation witnessed the most important international and Arab events and subsequent events in the Arab arena, the intensification of the Arab-Zionist conflict and the tumultuous demonstrations Lebanese students organized during Henry Kissinger's 1974 visit to Lebanon, forcing him to land at Rayaq airport instead of Beirut airport.

All this was a signal to the Zionist fascist cliques in Lebanon that the winds of change were going to blow for sure, so they sought to halt the historical development before losing control of the situation, taking heart from then on in Zionist support and constituting the key instrument of the Zionist enemy forces during the 1982 invasion of Lebanon. They have never respected the national dimensions of the Zionist-Arab conflict and have tried to outflank Syria by linking themselves to the imperialist countries and Zionism in contravention of the document Syria and Lebanon ratified at the time of independence and in violation of the security and geopolitical realities the two countries agreed upon in the forties. In this connection, we refer to the cabinet communique of the first independence government which the late premier Riyadh al-Sulh delivered in Parliament in 1943, known as the National Charter. It said:

"Our brothers the Arab countries want Lebanon to be what its proud patriotic citizens would like it to be. We do not want it to be a passageway for colonialism and, therefore, they and we want it to be a mighty, sovereign, free and independent nation..."

The Zionists have always been well aware of who their followers in Lebanon are. Without them, Israel would not have been so daring as to occupy Lebanon. Suffice it to say that Zionist leaders used remote-controlled mines, for the important thing is to wipe Lebanon out of existence, a most important Zionist constant. According to Zionist tradition, Lebanon must not only be the security zone protecting Israel militarily, but also the shrapnel zone that safeguards it and provides it with the shortest route to the Arab heartland.



But the 12 May 1989 issue of the newspaper 'AL HAMISHMAR confirms that, according to the "Sharon" scenario, Sharon, who was able to take a souvenir snapshot next to the presidential palace in Beirut, was after a "peace" treaty with Lebanon, but things took a different turn and the parliament persisted, even after the forces of occupation pulled out of Lebanon. Based on the depth of nationalist feeling in Damascus, that was the wish of the Lebanese nationalist forces, who felt that they could not remain silent vis-a-vis the actions of the Zionist isolationist cliques that began cooperating with the Zionist enemy forces and made desperate efforts to protect the 17 May agreement. That is just as the enemy did when the Atlantic forces intervened, under the misconception that they would give them the power to protect their privileges in realization of the goal to partition Lebanon and strike at the unity of its people and land.

### The Holocaust

Today, the facist Iraqi regime has entered the scene in cooperation with Israel to support the isolationist cliques and to fuel the holocaust through which the Zionist Israeli enemy is seeking to demolish Lebanon and the Arab land.

Paying Israel's bills and once again setting Lebanon ablaze and destroying its political, economic, and social structures, this, according to Arab and foreign press reports that Saddam Husayn contacted the Zionist leaders, offering to send sophisticated weapons to the 'Awn clique through them, underscores the Iraqi regime's real motives. For, the war it declared on the Iranian revolution was meant only to serve Israel and its Zionist designs and the interests of the colonialist countries against the Arab nation.

The Arab national forces are called upon to foil the course of military escalation Israel and the Iraqi regime have chosen to proceed with the adventure of partitioning Lebanon and fragmenting the Arab endeavor. It is also necessary to stand firm and continue to resist the various parts of the conspiracy aimed not only at Lebanon but at the whole Arab nation as well.

### Agreement With Iraq on Four Cargo Ships

NC0708200889 Cairo MENA in English  
1225 GMT 7 Aug 89

[Text] Cairo, August 7—The Alexandria Shipbuilding Company is to build four cargo ships worth \$80 million for Iraq.

Chairman of the board Tawakkul al-Maghribi said that an initial agreement to this effect was reached between the two sides. He also said that talks were under way with a number of international tourist companies in Europe to build floating hotels for those companies.

### GCC Aluminum Production Reviewed

44040457b Muscat 'UMAN in Arabic 30 Apr 89 p 7

[Text] Doha (WAKH)—There are seven factories in the GCC [Gulf Cooperation Council] states for the production of aluminum sections using the poured method. Their total production capacity of 58.3 thousand tons is distributed among the seven factories as follows: Two factories in Saudi Arabia produce 25.5 thousand tons, accounting for 44 percent of production; two factories in Kuwait produce 14,000 tons, accounting for 24 percent of production, and one factory each in the UAE, Bahrain, and Oman, each with a capacity of 6,000 tons and each accounting for almost 11 percent of production.

This industry enjoys the availability of primary production inputs, i.e., the primary raw material, aluminum, which is produced in Bahrain (ALBA-Dubayy-Dubal Company). It also obtains several chemicals needed for production from Gulf factories (such as sulfuric acid and sodium hydroxide).

This industry complements the construction sector by supplying it with the raw materials needed to produce aluminum doors and windows.

An industrial report prepared by the Gulf Organization for Industrial Consultations, headquartered in Doha, stated that the production of differently-shaped aluminum rods is carried out by means of molds with cavities corresponding to the shape of the section, which is produced using the poured method after the primary aluminum block is heated. The rods then solidify, are cut, and undergo a process of industrial aging. The sections are anodized in accordance with the agreed colors, or they are spray-painted using the static electricity theory.

The probable percentage of utilization of production capacity totalled about 68 percent in 1988, which is a good percentage. Despite the adequacy of projected capacities for meeting the GCC market needs, poured aluminum rods are nonetheless imported in view of the liberal economic policy followed by the Gulf states. Such imports are facilitated by the fact that some states have not imposed protective customs duties on them, thereby helping them to obtain a greater share of the local market and to increase the percentage of their [producers'] utilized production capacity.

Among the serious problems facing the Gulf aluminum industry is the non-existence of uniform Gulf standards for the thickness of the oxidized layer. Only Saudi Arabia has standards. The aluminum industry must also adopt modern methods such as automation, and it requires studies and development which enhance the competitiveness of factories in industrialized states. Therefore, there is an urgent need to establish an aluminum research institute.

It should be mentioned that there are opportunities to invest in several industries related to the aluminum industry, including the doorhandle and window

industry, whose commercial designation is accessories. Opportunities also exist for investing in the development of the molds industry, which exists in two Kuwaiti aluminum-rod factories, and investing in the establishment of a foundry and a factory for spare parts for machinery and equipment for poured aluminum factories and other industries.

Factories must also adopt computer-based preventive maintenance and inventory control systems and participate in a project to establish a central maintenance workshop in industrial areas, which will benefit the factories and increase the effectiveness of maintenance in them. The Gulf Organization for Industrial Investments is promoting the establishment of this project in the al-Rusayl industrial area in the Sultanate of Oman, in the Subhan industrial area in Kuwait and in the Jamilah industrial area in Iraq.

## PALESTINIAN AFFAIRS

### Editorial Calls for Tolerance, Unity, End to Threats, Attacks

44040490A Jerusalem AL-BAYADIR AL-SIYASI in Arabic 1 Jul 89 p 5

[Editorial: "Negative Phenomena That Must Be Uprooted"]

[Text] Dissent, fragmentation, factionalism, or various sharp disputes between brothers in a single arena are a source of weakness and a cause of impotence and feebleness in the face of the challenges and storms that sweep this arena.

The fragmentation in Lebanon led to Lebanon's destruction. Sharp Arab disputes between Arab organizations in past years led to a phase of Arab feebleness the like of which was seen only in the age of Arab decadence.

Difference of opinion validates democracy in any arena. But when difference of opinion turns into a weapon for us to stab each other with various kinds of accusation and to hurl an excess of ringing, loud slogans into the arena and consider them certainties, though they are remote from reality—we reject this and certainly do not accept it, for it only aids in embittering our feelings and in realizing those people's goals of splitting the one, cohesive, cooperating battle line.

An honest opposition always works for the general good. It considers its self-interest as secondary to the public responsibilities on its shoulders and on the shoulders of every citizen in this country and in every scene in other countries.

We are proud of the existence of an honorable opposition, one that is realistic and logical. Such an opposition gives breadth and depth to democracy. It strengthens the foundations of democratic practice and prevents any official in power from falling into error.

This is always and forever our position. This is what we want to affirm constantly, now that we have seen a number of things taking place on the scene—things that have begun to nurture the seeds of discord and dispute, seeds that others are planting in this difficult, delicate, sensitive, critical, and fateful stage for our Palestinian people.

We call upon each honorable citizen to be alert to these things, try to uproot and eliminate them socially and politically, and rise above them as much as possible.

There are firm fundamentals that must be preserved. The basic issues are above all secondary side issues. This is what historians and researchers confirm in their studies and essays on the history of peoples who have struggled and obtained their independence in past centuries.

We are suffering from negative things and phenomena. We see and touch them daily on the Palestinian scene, especially here at home—things that go on without a limit being set to them or clear lines being drawn for them. The many statements attacking "people" who met a foreign minister or any Arab or European official are among the negative phenomena, whenever they contain accusations and slanders against people who are sons of the one homeland. There is nothing wrong with issuing a statement expressing an opinion and position. Everyone has the right to express his opinion or position. But no one has the right to attack the private affairs of others, to decry their efforts with baseless political charges, or to whisper serious, implied threats. We are in a situation that calls for the utmost unity, cohesion, and cooperation in the face of the danger surrounding all Palestinians, whatever their affiliations and ideas.

In order that the Palestinian political position may be strong, and that we may preserve the current momentum with its various aspects and components, we call upon all brothers to protect and support national unity in order to achieve a just and lasting peace in this region.

It is a call that we direct to all Palestinians—those in opposition, extremists, and moderates. It is a call that we speak from the depths of our hearts, hoping that all will listen to it and act on it.

Our call comes out of concern and responsibility in light of the atmosphere of current political moves and diplomatic heat. Faced with these things, we must eliminate all causes of weakness, so that we may strengthen the Palestinian course and achieve comprehensive, just peace for our people and for all peoples of the region.

### UNRWA Employees Strike Over Wages, Economic Situation

44040490b Jerusalem AL-BAYADIR AL-SIYASI in Arabic 1 Jul 89 pp 25-26

[Article by Mawal al-Ghul: "Agency Employees Again...Cries on Deaf Ears, Salary Equality and Payment of Minimum Wage Demanded"]

[Text] "Communique 7" is not the name of a story from the inspiration of Palestinian political writing; it is a title

for Palestinian suffering out of the inspiration of "the literature of the poverty of the Palestinian employee"—specifically, employees of the agency.

Communique 7 was the latest communique at the moment this report was written. The General Organization of Department Committees in the Union of Arab Workers in the relief agency [UNRWA—UN Relief and Works Agency for Palestine Refugees in the Near East] on the West Bank distributed it to all the agency's male and female employees. Like communiques 1 through 6 which preceded it, it repeats and emphasizes a series of "just" demands that the agency's employees have been making for several months, particularly regarding the salary scale.

Doubtlessly, everyone stands beside any kind of Palestinian suffering, especially economic. This aspect has stimulated much debate and discussion by every family and every workers' and economic organization. Everyone is trying to arrive at solutions adaptable to the worsening economic conditions. The effects of these conditions are clearly visible on activities in the occupied territories without exception. These conditions effect the responsibilities of every laborer, from the working child, to the men and women who work in the various factories and work places in Arab and other areas, and to government employees or employees of private firms and agencies.

In many similar previous reports, we have dealt with the state of workers and working children in terms of salaries and bad working conditions. Today—as perhaps everyone can appreciate because of previous bitter experience with the exchange rate—we can look at the problem of the agency's West Bank workers. Those in charge of their agency have been even more tardy with them than with others in granting the needed compensations and necessary monetary improvements to fill, or attempt to fill, the enormous gap between the insane price rise and the hysterical fall of the Jordanian dinar. This has meant a large drop in purchasing power—indeed, a drop in the average income of any family working for this currency in the agency.

That is the problem, the problem of the agency's employees. After a series of protests, its officials tried giving them "shots"—half doses of the salary listed in the new salary scales. Along with these went many long-term promises to make needed evaluations. But these and other promises were like numbing shots to calm the pain, with no attempt to uproot the disease and comprehend the real dimensions of the suffering—shots to allay the excessive pains and the malignant disease that has taken root in the feeble economic budget of agency workers since that accursed day when the value of the dinar and the shekel fell and prices rose.

Nothing was left to employees but more protests and sit-ins at the agency, in the hope that these might bring supplementary doses of salary capable of improving the worsening economic situation.

### Measures Against the Dinar's Decline

We can now state with certainty that the good fortune that some agency employees used to enjoy regarding high salaries has begun to give way to something one can characterize as less than good. Although the purchasing power of most employees in various organizations, government or private, has begun to some extent to regain its relative health, notwithstanding the decline of the currency, now that their salaries have been adjusted to compensate for the anemia of the dinar and shekel, this anemia continues to take bites out of the salaries of UNRWA employees, particularly on the West Bank, where they draw their salaries in Jordanian dinars, with only a minute amount of adjustment.

This problem of salary adjustment was handled in simplified fashion through our press. In six previous communiques, the Union of Arab Workers at UNRWA, represented by the General Organization of Department Committees, announced several times that it would strike in protest over how the UNRWA administration had procrastinated and delayed with agency employees over handling of the continued decline of the dinar in relation to the shekel.

In a communique distributed last February 8th, the General Organization of Department Committees at the agency announced its intention to undertake a series of measures against UNRWA's administration in Vienna to protest the kind of procrastination the agency had followed in regard to improving the salaries of employees paid in Jordanian dinars.

The Union of Workers at the agency adopted a program of protest steps that it intended to take. The General Organization, with the participation of employees from the agency's main office at al-Shaykh Jarrah, held a 2-hour sit-in at the main headquarters. Immediately afterwards, all UNRWA employees on the West Bank stopped work for 2 hours on Friday and Saturday, 10-11 February, between 8 and 10 am.

Agency workers also carried out a strike at their posts at all agency installations for 3 days, from the morning of Monday, 13 February, to the end of Wednesday, 15 February.

The union sent the general commissioner a telegram describing the worsening situation and containing the employees' basic demands about the need to implement the Gaza salary scale on the West Bank. The employees emphasized that the situation did not allow for waiting for a survey and its results. The telegram also informed the general commissioner of the sit-in and strike decisions.

That was not the end of the series of sit-ins and strikes by employees of the agency. It widened to include more communiques, especially after the agency's management tried to silence the strike leaders with partial and meager doses of salary, as we have mentioned above, along with



promises of other improvements in salaries. The promises, however, became so protracted, that no more waiting was possible, particularly since the anemia of the dinar and shekel was not waiting for such adjustments or promises. At that point, all that remained was to raise the question of what the solution should be.

#### **An Internal 'Intifadah'**

After months of tedious waiting, UNRWA employees saw no alternative to an immediate move. These moves were recently climaxed by the distribution of Communique 7 to all agency employees on the West Bank, announcing the beginning of a series of strikes and sit-ins. On Wednesday, 14 June 1989, the General Organization of the Union of Workers carried out a 24-hour hunger strike at the agency's main headquarters to express workers' anger at unjust practices by the agency's management, which had continued to attack employee salaries, so that they had sunk to one quarter of what they had been 2 years ago for each worker. It should be mentioned that as a consequence of this strike, two workers participating in the sit-in fainted and were taken to hospital for treatment.

Some workers indicated that they still retained a glimmer of hope that the agency might retreat from its attacks on workers' salaries. But the issue will apparently be a protracted one, as indicated by the distribution of Communique 8. This came as a supplement to Communique 7 and was distributed to all workers. It announced the implementation of a hunger strike and the workers' anger with the management of the agency. It stressed that if the agency's managers continued the attack on employee salaries, as stated in the communique, the General Organization would take the necessary measures to defend employees and protect their violated rights. Communique 8 also warned against any administration attempt to circumvent employee rights by inventing convoluted formulas. The administration claimed that these would, through special accounting procedures, bring about salary protection starting from 1 June 1989, but the measures largely ignored a solution of the main problem.

#### **Equality and a Minimum Wage**

The demands of the agency's employees were united and were repeated in all the communiqués distributed by members of the General Organization of the Union of Arab Workers in the agency. If this indicates anything, it indicates that none of these demands had been answered previously or at any subsequent time.

Salary equality between West Bank employees and their colleagues in Gaza and the payment of a minimum wage were two issues that topped all the employee demands recently included in the communique of the General Organization of the Union of Employees.

Regarding these two issues, it has been learned that in Israel the agency is normally obliged to have the salary of

the lowest grade on the salary scale equal to the minimum wage in the public sector, which is 850 shekels (240 dinars), along with payment of required cost-of-living bonuses. The agency applies this commitment to all of the agency's employees, including those in Gaza, but it excludes West Bank employees from this commitment.

An agency employee, commenting on this issue, said that the agency is using material and financial deficit as an excuse. He stated that the agency's West Bank employees had grown tired of hearing such excuses. They had become an unconvincing lie and could be predicted in advance.

In his talk, the employee raised the issue of demanding equality for West Bank employees with the Gaza salary scale. He pointed out that living conditions in the West Bank and Gaza were similar or the same. This means that the picture as regards the issue of salaries and the material deficit claimed by the agency should be similar. However, large differences have been noticed between the salaries of agency employees on the two sides. This means—and it is no [mere] inference—that there are no material or financial problems and that the agency's managers are using weak claims as an excuse. The employee went on to say, "This means that the agency has taken a position on the employees of the West Bank, and perhaps on the West Bank itself. One wonders why and what the reasons might be."

#### **'In American!'**

The annual cost to the agency of a grade-10 employee before the misfortune of the dinar and the shekel was \$8,964. The cost of such an employee now is only \$8,000. Thus, the agency has appropriated and continues to appropriate to itself \$1,000 from the salary of every agency employee. Since there are 2,750 such employees, a simple calculation ( $\$1,000 \times 2,750$ ) raises the question, "Where is the alleged monetary deficit?"

The communique's third demand—that the alleged financial deficit not be used as an excuse—confirms what has been said about the agency's continuing to realize savings amounting to 25 percent of total 1988 employee salaries. The employees have therefore demanded a fourth point—the need to guarantee salary protection from the erosion resulting from the decline in the value of the dinar and shekel. This would be done by constructing a salary scale based on the American dollar, as is done with the Gaza employees.

#### **Series of Excesses**

Another question arises after this issue, besides the question of where the alleged monetary deficit is. Where, one asks, are agency officials taking these enormous sums that they appropriate from employee salaries? What are they doing with them? Are the sums being invested in productive projects and in ways that we do not know of? Or is something else the case?

If we were to answer this question, the answer would be an inference based on the final point in Communiqué 7. This point deals with the excesses of the agency management regarding parties held at the agency building "to say goodbye to X" and "to welcome Y." These celebrations come at a time when all employees have since 1981 ("the year of the municipalities") been rejecting the idea of such celebrations. How can they accept the idea now, when conditions are no better than in 1981? Obviously, we can see that these agency celebrations must cost what embassy and diplomatic parties cost—thousands of dollars! We may not even have to ask, "Where are you getting it?" The answer comes even before the question is asked—in the form of the sums appropriated from 2,750 employees.

So we see that everything that has been and is being cut from employee salaries has been cut from the daily bread of a Palestinian child or from the medicine of a patient who may have needed the money more than those engaged in drinking and eating at one of those luxurious parties.

The excesses are numerous and do not stop with the \$1,000 appropriated every year from the salary of every agency employee. There is the issue of the missing food supplies, the nonexistent services, the administrative and even functional positions for friends and favorites, the other special projects for "some people" with pure agency funding, and many other problems and excesses that deserve enough communiqués to add zeros to the right of the number 8.

Certainly, we have learned in the past that the agency came rightly to serve the purpose for which it was established—to be, as its name implies, "an agency for relief and giving work to refugees." Where is this relief? Where is this work for these refugees? As we have said, the issue is deeper than a handful of dollars, dinars, and shekels and a new pay scale. The case of the agency's employees that we have presented in this issue has been only one episode in a series of excesses that some agency officials have committed, perhaps unbeknownst to those who should be concerned. As we said, the issue is a long one and will not be finished in a day and a night. But it would be wonderful if these griefs—and not mere musings—were to reach whoever in the agency should be concerned. The agency might then rightly become "an agency for relief and giving work to refugees," not one for—excuse us!—pilfering and discrimination.

## ALGERIA

### Importance of Social Security Solutions Underscored

45190114d Algiers ALGERIE-ACTUALITE in French  
29 Jun-5 Jul 89 pp 22-23

[Article by Khadidja Zeghloul: "Social Security: Coverage Exposed"; first paragraph is editorial comment]

[Text] In the next few years the social security system risks running out of money if we do not give serious

consideration to its future and to solutions for its problems that are already in sight.

It will be many years before the texts of the legislation on social security, promulgated in 1983, are made public. Public opinion, the workers, and those entitled to social security benefits in a general way freely associate the law with the name of Mrs Zhor Ounissi, minister of social protection at the time. More interested in replacement income, the people only remember that a review of the payment of daily allowances for illnesses of short duration (Only 50 percent of the allowances are paid for illnesses lasting less than 2 weeks) has made the terms and conditions of repayment stricter.

However, according to the information that we have collected, the 1983 law providing for a reform of the social security system is rather generous in its intent. Few countries at the same level of development as Algeria provide for certain advantages, such as the retirement pension that has been reviewed and raised to 80 percent of the basic salary of the 3 highest years or its reversion to the benefit of children of "the female sex without income, regardless of their age." The law is generous in its intent, but we should make clear the context in which this law was approved and that is going to have a decisive influence on its application.

The reform of the social security system was based on a consensus following long political and trade union struggles. The reform was weakened by Article 120. It was poorly served by the period of development and of social peace under the late President Houari Boumediene, which was characterized by industrialization, the democratization of education, the establishment of a system of free medical care, the introduction of the GSE system (Socialist Management of Business), and the agrarian revolution. During this period the political support of trade union leaders for government policy had taken the edge off trade union concerns. Nevertheless, the trade unions as well as the forces favorable to an effective social security system had two advantages in their favor: the social achievements of the workers and the petroleum boom. When the law was adopted by the APN [National People's Assembly] in 1983, the period of the petroleum boom already was over. However, this was also the populist period with the PAP (Anti-Poverty Program). The decrees and the regulations issued under the law, which were made public after 1984, were to focus on correcting the generosity of the social coverage provided for in the law, interpreting it in a restrictive way. In some respects this interpretation went too far because, we were told, certain provisions involved anomalies, aberrations, and even contradictions.

The social security workers said ironically: "These provisions came out before October 1983." This was the case with long-term illnesses and the provisions covering the adjustment of retirement pension deductions.

The workers were outraged by this measure, which made the law retroactive in character. At the parade on 1 May

the abolition of these adjustments was among the claims of the workers. The history of social security in terms of its coverage, its development, and its objectives overlapped the history of the UGTA [General Union of Algerian Workers]. A former trade union member considers that the separation of the social security issue from the struggle of the workers, either because of a lack of political or trade union maturity or through allegiance to national policy during the 1970's, had serious consequences for trade union activity. He recalled the position of trade union members "of the 1950's" who had a clear and well formulated view of the role and management of the social security program. This was contrary to the views of the majority of trade union officials, most of them new in office, young workers, or young intellectuals, who looked at social security within the framework of the GSE program or the SGT. It was not easy to think about the rights of those paying into the social security program. Should administration councils be established where the trade unions would be represented, or should priority be given to the direct representation of the workers? What measure of autonomy should be accorded to this representation in its relationship to the government?

The fundamental problem of management and, therefore, of the control of the use of social security funds came up frequently. Seminars were resumed after the enactment of Article 120. It was this nonrepresentative trade union, attacked directly by questions about democratic rules and undermined by conflicts within its ranks and with the government, which would sanctimoniously represent the social security system on boards of directors. Moreover, these had few powers.

Members of the trade union local at CNASAT recall how difficult it was in 1984 to get signatures for a petition protesting against the new daily allowances. They argued that the fight against absenteeism on the job was not one of the functions of the social security program. This kind of struggle seemed rather pretentious. Today this point and many others are contained in the list of claims of the CNASAT union local and in the aggressive bulletin distributed on the occasion of 1 May. The trade union local at CNASAT even considered holding a round table session during that the establishment of an association to save the social security program would be considered. This association would reportedly be charged with bringing out opinions among the workers by developing thinking about this institution that had been absent from their activities for a long time.

The high point of the social security program, reflected by the Health and Family Action Program (ASFS), covering the period of the last two 4-year plans, will be reconsidered. That period saw the beginning of social restrictions. The very ambitious ASFS program no doubt accepted that there were attenuating circumstances concerning the limited mobilization in support of the management of the social security program. With this program, which covered 600 projects (!), the social security program was on its way toward the establishment of a

semipublic health system that would be close to the needs of the people, a rather large program, as well as various other social initiatives: centers for respiratory therapy and the handicapped, vacation centers, medical and social centers, dental clinics, and the ORL.

This network of services would have made it possible to double the number of public health institutions to meet the vital needs of the workers. What happened to the reserves of the social security system? Set up with billions of dinars contributed by the workers, they were systematically disposed of, turned over without corresponding concessions, or even diverted from being used for their primary role. The INHS (National Institute of Hygiene and Security) was built on a segment of the social security field.

The Malika Gaid Clinic, which in 1963 Che Guevara called the most attractive hospital in Africa, is now an office for the INSP (National Institute of Public Health). The headquarters of the former CAVNOS [Non-Salaried Senior Citizens Insurance Fund] is now occupied by the Ministry of Education. Social-medical centers and clinics have been integrated into the Ministry of Public Health, under the program for the unification of health institutions. This list is not complete. A trade union member of the 1950's told us: "The problem is that the government has always taken away the money accumulated by the sweat of the workers. The state has taken money wherever it could find it. The UGTA has not done anything, and the workers were neither mobilized nor even informed." Were financial reasons alone responsible for these practices, even when there was no economic crisis? Were there other purposes behind these developments?

In the absence of facts, everyone can advance his own reasons. One worker stated: "We can say that there is a holy horror of everything that comes out of the struggle of the workers and from their activist solidarity." It seems that there were even groups of zealots who took a rather dim view of social security, that institution, which reportedly substituted financial solidarity for family and community solidarity, uncertain or disorganized and more in conformity with Arab and Islamic values. Whatever the case, the result is there to be seen. The field of social protection has contracted and is limited to longstanding allowances: insurance for health and maternity cases, coverage for crippling injuries and death, and retirement pensions and family allocations. The absurdly low family allocation (40 Algerian dinars per child), which is allegedly antinatalist in the absence of any real policy of sensitivity, has been frozen for about 15 years.

The development of a truly representative, autonomous trade union is more than ever needed to regain the lost achievements and—why not?—to broaden the coverage of the social security system. A draft bill to reactivate the administration councils of the system is under study. Its objective is to permit better representation of the principal partners of the system, such as the workers, who



have been excluded from the administration of the system for a long time. The study of this draft bill is occurring at a particular time, which leaves even those who have always fought for this system a little skeptical and careful. The subjects under study are: the reduction of the field of social protection, the curse of unemployment, the economic crisis, inflation, and finally, after the end of the second five-year plan, the precarious financial equilibrium of the social security program.

Should we try to obtain additional contributions from the workers in anticipation of eventual restrictive measures? These financial problems do not yet affect the ability of social security to deal with its expenditures. However, the prospective studies on the next five-year plan (1990-94) are clear on this point. The social security system will soon be in difficulty if readjustments are not made. Two solutions are conceivable: raising contributions or reducing benefits. These two measures are unpopular, and it would be a mistake to adopt them, from the political point of view. The government, which wishes to maintain social peace at any price, would hesitate after October to attempt this kind of solution.

There is a third way, on the basis of which we could attempt to reorganize the system and maintain social coverage at its present level. This would involve exploiting all of the possibilities contained in the social security system that have been ignored up to now. First, ensuring the effective collection of contributions from companies by making the collection effort more effective. The amount in question is about 17 billion Algerian dinars. It will still be necessary to add to this attractive total the lost contributions that have not even been estimated, owed by private companies, particularly in the textile sector, which have not been declared to the government, or have been falsely reported. These include contributions from employers that have not been collected; from workers who are not insured and who have been threatened with dismissal in case they complain; and the exploitation of personnel turnover to get around the law and to exploit female workers more effectively, for the most part. There are contributions not made by members of the liberal professions who do not always join the social security system, although required to do so. In short, the work of collecting these contributions meets with the same difficulties as the tax collector.

There is still the question of how effective have been the investments of the financial reserves of the social security system. Financial policy on the use of these reserves could be important. Up to the present the social security reserves have been invested at the Treasury at a rate of interest of 3.5 percent, which is not advantageous at all, in view of inflation and the better rates offered by the banks. Furthermore, these investments have made it possible to finance a substantial part of the operational budget of the social security system. Whereas in other countries the accumulated reserves of the social security systems are used to invest in remunerative activities (tourism, chains of hospitals) and to expand the field of

standard allowances (social protection against the disasters caused by road accidents, alcoholism, tobacco, and unemployment), the Algerian system finds itself in a period of recession without any future projects. Have the calm years of financial surpluses made consideration of additional programs unnecessary? Or has the manner in which administrative management has been handled stifled all initiative? Or is it a matter of how the resources of the social security system have been handled? Beginning in the 1980's the social security system has been integrated into the state budget. These resources have been made equivalent to a tax, and the state draws on this income. What is the total value of the equipment bonds that have not been paid back? What happened to this money? We know, for example, that since social security came under the supervision of the Ministry of Public Health, these funds have been used to take care of the travel expenses of government officials, salaries, and repaving the roads at the Mustapha Hospital.

The proportion paid by social security in financing the expenditures of the Ministry of Public Health has gone from 39.9 percent in 1980 to 60.24 percent in 1989. During the same period the proportion paid by the state declined, going down from 29.3 to 19.94 percent. Furthermore, since 1985 the social security program has financed all of the investment expenditures in this area. Since the beginning of the 1980's free medical care has ended for the workers and others entitled to it. In fact, free medical care is only available for people who are unaffiliated, while benefiting from it. In addition, since 1984 users pay 20 percent of the charges for certain hospital services, irrespective of their income. Since the initiation of free medical care the operational budget of the public sector has been distributed on an overall basis to cover the health sector. This is what they call hospital charges, as health care is no longer paid immediately. Whereas in Europe there is a tendency to make use of the overall budget, on a contract basis, as a means of controlling the costs of inflationary expenditures in the form of immediate payments, Algeria, which has been following this practice for 15 years, nevertheless faces uncontrolled growth in the cost of health care.

The reason for this is that the contract cost (9.6 billion Algerian dinars per year, or the equivalent of two-thirds of the total allowances paid out by the social security system) is fixed centrally, without any explicit criteria and by combining the cost of free medical services and uncontrolled costs and charges. The economy of health is still an unknown discipline. The emergence of the problem of the cost of health services is an important point. Will it end with a better definition of the objectives of national policy in terms of health? Will the program for the prevention of illness, with a very small budget despite water borne and infectious illnesses, be better handled?

Can contributors who in 1988 assumed more than 70 percent of hospital charges and who do not always

receive the best care hope for better allowances? However it turns out, the purpose of the forthcoming study to be conducted by the Ministries of Public Health and of Labor, Employment, and Social Affairs and the National Planning Council is clear. Social security cannot continue to provide for the social coverage of contributors and those entitled to allowances under it if financing health services continues to be so expensive and subject to the same procedures. The social security program is financing the health program to an increasing extent, has been deprived of its reserves to a large degree, and has been reduced to paying conventional allowances. This program, which should play its complementary role in terms of income, needs to set down an overall and scientific view of its field of activity based on the best reproduction of the labor force and, therefore, on the reorientation of its resources to the benefit of the contributors.

How will social security look in the future, with companies assuming autonomous status, the encouragement of the Algerian private sector, and the emergence of an autonomous and representative trade union movement? What will be the impact on it of the reduction in jobs? And what will it become when, already, the claims of the workers are linked to the nature and quality of social security allowances, as the parade on 1 May showed us?

#### **Italian Officials Emphasize Importance of Trade**

45190114c Algiers ALGERIE-ACTUALITE in French  
29 Jun-5 Jul 89 p 21

[Interview with Gianni Ravaglia, Italian deputy minister of industry, trade, and cottage industry, and with Gallo, director of international relations at FIAT, by A. E. K. Hamouche; date and place not given; first paragraph is editorial comment]

[Text] An Algerian-Italian day dedicated to partnership was recently held in Algiers. Following are two interviews on the possibilities of trade, the first with Gianni Ravaglia, Italian deputy minister of industry, and the second with Gallo, director of international relations at FIAT.

#### **Interview With Ravaglia**

[ALGERIE-ACTUALITE] What is the status of Italian-Algerian cooperation in the fields of industry and trade?

[Ravaglia] The overall balance of the trade between the two countries shows a positive advantage for Algeria. This situation results from the fact that Italy buys Algerian energy products. That is why the Italian economy is very much interested in opening up broader cooperation with the Algerian economy. This is all the more so since in Italy a very positive view is held regarding the process of reforms under way in the Algerian economy. No doubt this will create new opportunities for the development of cooperation between the two countries. As you know, the Italian Government, during the past few months, has concluded a cooperation

agreement with the Algerian Government that provides financing for industrial cooperation projects. This agreement covers technical assistance arrangements and also the construction of innovative industrial projects in the areas of agriculture and industry, as well as forms of aid devoted to the development of the structure of the Algerian economy.

Italian legislation on cooperation also provides for various kinds of support for partnerships between companies of the two countries and, therefore, financing of the capital of joint companies that may be established.

However, those are only a few of the various aspects of cooperation between Algeria and Italy. In other areas there are other forms of economic and financial cooperation that link the two governments as well as the banking systems of the two countries. The present meeting, which was organized by the Italian Institute of Foreign Trade and the Italian Embassy in Algiers in connection with the Algiers Trade Fair, not only confirms once again the exemplary state of relations between the two countries but also seeks to encourage the deepening of these relations. It seeks to identify the best ways of undertaking new and innovative forms of participation in the economic life of the two countries.

[ALGERIE-ACTUALITE] In this connection you said in your speech that partnership is a desirable form of cooperation between Italy and Algeria. Can you expand on this remark?

[Ravaglia] It is a desirable form of cooperation because partnership makes it possible to bring together cooperative efforts made by Algerian and Italian companies, and all of it during the present stage of reform of the Algerian economy. Thanks to such partnerships, Italian companies may also be interested in investing in Algeria. For its part, Algeria may obtain significant results in terms of productivity and, therefore, in the development of its economy.

In my speech I alluded to geographic and historical realities that have led to imbalances in the development of the Italian economy and that justified certain actions by the Italian state, for example in Southern Italy in the areas of information, technical assistance, and management, precisely to eliminate or reduce these imbalances. Those are the experiences that could be useful to the Algerian economy in the present stage of its economic development.

[ALGERIE-ACTUALITE] I would like to return once again to your speech, in which you said that relations between Italy and Algeria are particularly good, especially in the economic sector. Does that mean that there has never been a shadow over this cooperation between Algerian and Italian companies? Above all, I allude here to the clause to which Algeria attaches particular importance: the transfer of technology.

[Ravaglia] I have just attended a series of meetings that the minister of heavy industry had with representatives

of Italian public and private industrial companies. As I listened to the conversations, I noted that the tradition of cooperation between Algerian and Italian companies still exists.

[ALGERIE-ACTUALITE] The Italian Institute of Foreign Trade, which organized this seminar on partnership, only invited representatives of Algerian public companies. Does that mean that as you look to the future, you do not foresee any kind of partnership with Algerian private companies?

[Ravaglia] When we organized this meeting, we naturally took into account the present structure of the Algerian economy, as well as the organizations to which we now may make proposals for collaboration in the most effective way. I know that the important reform that is under way in your country has just begun. The private sector will surely be called on to play an increasingly important role and to make a decisive contribution to the competitiveness of the Algerian economy in the world market. I can only wish that the cooperation between the two countries may be useful and important, both for the public as well as the Algerian private sectors.

#### Interview With Gallo

[ALGERIE-ACTUALITE] What do you expect from this seminar on partnership?

[Gallo] We hope that this meeting between Italian industrialists and their Algerian partners will lead to the emergence of a more integrated and more efficient way of working. We hope for a more effective form of cooperation or, in other words, the possibility of reaching agreements more quickly, as well as completing work on the initiatives that are under development. All of this in the framework of reciprocal understanding.

[ALGERIE-ACTUALITE] What do you think of Algeria in the present stage of its economic development?

[Gallo] It is facts that provide the measure of our interest. Now, the facts show that we have reached agreement for the establishment of the first factory for the assembly of privately owned vehicles. A few months ago, in fact, the financial agreement was signed. Agreements have already been reached in the area of public works. We also have several very important projects under study with the SNVI. As you can see, we are everywhere! We think that Algeria is a very important country. There are possibilities for working together, possibilities of encouraging the development of Algerian industry and, at the same time, of favoring the activities of our group. We think that the possibilities for the development of industry in Algeria will be strengthened if the Arab Maghreb Union is established.

[ALGERIE-ACTUALITE] In your view what are the constraints that keep Algerian-Italian relations from developing in the framework of partnership?

[Gallo] There is one obstacle that is common to all developing countries: the availability of financial resources. That is an essential problem.

[ALGERIE-ACTUALITE] Is the Italian side making significant proposals to Algeria?

[Gallo] The Italian side has already participated in a significant way because the Tiaret project has been assisted by the Italian Government's providing 90 billion liras in the form of assistance loans. Or, in other words, at a rate of interest that is very favorable to Algeria. I cannot speak in the name of the Italian Government. However, I know that my government is favorably disposed to Algeria and is ready to help it in the financial area.

[ALGERIE-ACTUALITE] How do you interpret the reforms that have been developing over the last few months in Algeria?

[Gallo] We see a great deal of movement in the economic area, particularly over the last few months. There has been a great deal of openness displayed toward foreign companies. However, and above all, there is a complete restructuring of the economy that augurs well for better contacts between Algerian and foreign companies.

#### Status of Gas Contracts With Belgium Reviewed

45190105b Algiers ALGERIE-ACTUALITE in French  
22-28 Jun 89 p 19

[Article by Arezki Mokrane; first paragraph is ALGERIE-ACTUALITE introduction]

[Text] For the past few months, negotiations aimed at settling the gas dispute, which has been dragging on for several years, have been making good progress. And although the agreement has not yet been officially ratified by the parties involved, Belgian industrialists are breathing a sigh of relief.

Brussels—The contract signed in 1975 by Sonatrach [National Company for the Transport and Marketing of Hydrocarbons] and Distrigaz [expansion unknown] called for the delivery of 100 billion cubic meters of liquefied natural gas (LNG) over 20 years—that is, 5 billion cubic meters per year. In April 1981, an amendment was added reducing the quantities of gas exported to Belgium to 92.5 billion cubic meters, thus reducing annual deliveries to 2.5 billion cubic meters over a 3-year period. A supplementary agreement subsequently made it possible to reduce the scheduled quantity for the second year to 1.5 billion cubic meters. The controversy started in August 1982, and the argument was over the price of the gas. The Belgians were saying in several Dutch-language newspapers that they were paying more than the Americans. Idriss Jazairi, Algeria's ambassador to Brussels at the time, was immediately forced to react by explaining that like should be compared with like and that FOB [free on board] and CIF [cost, insurance, and freight] prices had to be taken into account. The FOB



cost of gas is its cost delivered to the dock or on board ship, whereas the CIF price is calculated by adding in insurance and freight.

When Belgian newspapers asserted that the Americans were paying \$3.92 per million BTU's (British thermal units) while the Belgians were paying \$4.80, the scale did seem to tip in favor of the United States. But in Idriss Jazairy's view, the price reported could not be the CIF price, since the CIF price paid by Belgium came to \$5.82 per million BTU's. If the unit sales price was the same for Belgium and the United States, it was obvious that the Americans should be paying more, since a greater distance was involved.

Deliveries began in November 1982 through the French terminal at Montoir-de-Bretagne because the planned conversion of the Belgian port of Zeebrugge had not been completed. Three years later, the Belgian side wanted to begin new negotiations with Sonatrach for the double purpose of adjusting price conditions to what Distrigaz considered to be Belgian market conditions and reducing deliveries in response to slower sales in Belgium. When those negotiations failed, the Belgian side unilaterally revoked the original contract, and the dispute was submitted to the International Chamber of Commerce.

It should be pointed out that from 1966 to 1977, the Netherlands had been Belgium's main supplier. But between 1973 and 1977, the Belgians began implementing a policy of diversifying their sources of gas, with the result that various contracts were signed with Norway, notably through a consortium of European purchasers made up of firms in the FRG (Ruhrgas), Belgium (Distrigaz), France (the French Gas Company), and the Netherlands (Gasunie).

In such a context, the launching of the Methania seemed to be a symbol. In October 1986, the largest methane tanker in the world, chartered by Distrigaz, underwent its first technical trials. With a length of 280 meters, the Methania has a capacity of 131,235 cubic meters and an average loading time of 15 hours, with peak power of 45,000 horsepower.

Two years later, there were new developments. In December 1988, the Belgian Government rejected the plan for building an eighth nuclear power plant (Doel-5) because of the conclusions reached by a parliamentary commission set up only 1 month after the disaster in Chernobyl. That commission had analyzed the direct fallout from the tragic event in the Soviet Union and emphasized the shortcomings with respect to an emergency plan for helping the population in case of an accident.

The Belgian Government also announced that it was rejecting the importation of electricity and accepting the electricity lobby's proposal to add 1,400 megawatts of nonnuclear power. To compensate for Doel-5, the Belgian Government even suggested that the construction date for new gas facilities be moved forward and that construction of one of the new power plants be started as

early as 1989-1990. That new stand by the Belgian Government made it possible to take another look at relations between the two countries, because the Belgian minister of economic affairs, Flemish Socialist Willy Claes, considered it wise to accelerate completion of those new units, which are known here as "gas steam turbines" (TGV's).

At Minister Claes' office, it was explained to us that those new facilities would probable consume between 900 million and 1 billion cubic meters of gas, to which would be added the increase in private consumption—the BASF [Baden Aniline and Soda Factory] firm, for example, plans to burn 400 million cubic meters annually in its new plant.

Besides those factors, there is no doubt that settlement of the gas dispute between Algeria and France may have helped resolve the Belgian controversy. Several meetings have taken place in Algiers and Brussels in recent months between Jacques van der Schueren, chairman of Distrigaz, and the Algerian minister of energy, chemical, and petrochemical industries, Sadek Boussena. At first, there was even an announcement here that the conflict had been settled at the end of 1988. But it has taken 6 additional months of negotiations to achieve a result, with the verdict by the International Chamber of Commerce hanging over the heads of the negotiators like the sword of Damocles. Since both sides had presented their cases, the arbitrators were likely to announce their verdict at any time, and no one knows which way the scales of justice would have turned, although it could be expected that the decision would probably go against Belgium. Moreover, it should be realized that the delay in settling this conflict has cost our country a great deal. And even if Belgian industrialists are not saying openly that they have encountered more complex situations because of the dispute, the fact remains that a controversy of this kind always impedes the development of relations between the states concerned. It was probably all those circumstances that encouraged the negotiators to take one more step in the direction of a compromise.

Ministers Claes and Boussena had, on several occasions, shown their shared willingness to bring the conflict to an acceptable conclusion.

In Brussels, moreover, the specter of Distrigaz' bankruptcy had been mentioned in the press, and the situation was growing more and more urgent. A joint communique was therefore distributed last 6 June pending the signing of the final agreement, which will take place after the boards of directors of both Distrigaz and Sonatrach ratify it. As far as quantities are concerned, Belgium currently takes delivery of 3.5 billion cubic meters, but the agreement calls for a 5-year transitional period during which delivery rates will be accelerated until the level of 5 billion cubic meters is reached thanks to the electricity sector, which will absorb as much as 2 billion additional cubic meters for its TGV's, and the BASF, which is about to build an ammonia plant. Other projects, such as the one by Petrofina [expansion

unknown] in Zeebrugge, which may consume 500 million cubic meters, are not included in those projections.

In any case, when it comes to the bill to be paid, Distrigaz will have to accept the French and Spanish price, which comes to \$2.28 per million BTU's, based on a barrel of petroleum at \$18. Actually, that would be the FOB price, to which would have to be added the cost of transportation and that of liquefaction and regasification. Until the first quarter of 1989, the price paid by Distrigaz, based on the price of crude oil, came to \$1.83, and it seems that Belgian electricity producers are hoping that a system of preferential indexing will be applied in exchange for what they regard as a demonstration of "goodwill" on their part. Distrigaz is said to be talking about an adaptation in the future to "Belgian market conditions." That entire aspect of the problem should be clarified soon. But the amount owed by the Belgian company for failure to accept the quantities called for at the price originally agreed upon is estimated at some 20 billion Belgian francs (over 3 billion French francs). A first installment of 11 billion Belgian francs is expected to be paid in cash out of the company's reserves. According to Distrigaz, however, that increase will be passed on to Belgian consumers in a gradual manner (on the order of 1.5 percent per cubic meter). The increase in electricity rates should also be slight, and it should be offset after the startup around 1992 of the first gas steam power plant, which should provide less expensive electricity, thus eliminating the temporary surcharges.

Although it is said at the Ministry of Economic Affairs that Minister Claes has no reason to interfere in the conflict that has existed between the Belgian and Algerian companies for several years, there is clearly more optimism in the offices of the private firms.

Managing Director Pulyneckx of the Federation of Belgian Enterprises told us he was delighted at the prospect of such an agreement. "It is preferable to an arbitrated decision in the interest of both parties," he said, emphasizing that the deal in question was likely "to safeguard in the best way possible the good relations existing between the two countries." Although not familiar with the features of the agreement or its effects on Belgian firms, he added that such a situation would probably be conducive to the granting of new loans to Algeria as well as the opening of new lines of credit between the states.

Officials at Distrigaz are obviously satisfied with this fresh whiff of oxygen, and Castermans stressed the importance of the compromise from the standpoint of the flow of business between Belgium and Algeria. At Cockerill in Liege, there was the same satisfaction, although officials there told us they did not have the necessary facts. De Salle said: "We have never felt any negative effects as a result of the disagreement between Distrigaz and Sonatrach, because Algeria has never made an issue of it as far as we are concerned."

It is true that in August 1988, Cockerill Mechanical Industries was awarded a huge electrification contract in southern Algeria. But when one takes a closer look at the development of trade between the two countries, one finds that Belgian exports to Algeria have fallen off sharply over the past 3 years.

The volume in 1986 was equivalent to 11,658 million Belgian francs. The amount was 9,663 million the following year, and in 1988, it dropped again: to 8,795 million Belgian francs.

As a result, the biggest African purchaser of Belgian products is now South Africa (13.5 billion Belgian francs), followed by Zaire (11.3 billion Belgian francs), and Algeria.

Moreover, if we look to see which African countries are Belgium's privileged suppliers when it comes to imports, we find that Zaire is in first place, having supplied that country with the financial equivalent of 31.3 billion Belgian francs in 1988.

South Africa is in second place (20.7 billion Belgian francs worth of products), followed by Liberia (11.2 billion), and Algeria (11 billion).

A few years ago, however, our country was Belgium's foremost African partner. Perhaps we will soon see a rearrangement of that foursome with new prospects opening up, because the Belgian circles concerned are very sympathetic to the changes that have occurred in Algeria since the end of last year.

According to the Belgian daily LE SOIR, the final agreement between Sonatrach and Distrigaz will be signed in Algiers on 21 June in the presence of Minister Willy Claes. It has also been announced that a meeting will be held in September by the Algerian-Belgian Joint Commission, which has not met since 1986, and there are also rumors of a visit to Algiers by the king of the Belgians.

Also according to LE SOIR, the agreement will include a banking component (built around the Belgian Foreign Trade Office), a component consisting of state loans, and a third component concerned with cooperation (300 million Belgian francs for 4 years).

It appears that four dossiers have been added to the above:

- 1. The delivery of 200 Van Hool buses and, possibly, spare parts.
- 2. The construction for Sonelgaz [National Electricity and Gas Company] of two new diesel-fired power plants in southern Algeria. The prime contractor will be Cockerill Mechanical Industries, which was also awarded the contract for five power plants in 1988.
- 3. The equipment for 100,000 telephone lines installed by Bell Telephone.
- 4. The supplying of locomotives by the ACEC [Charleroi Electrical Engineering Shops].

Belgium reportedly has also promised to pay its energy bill in advance.

### **Widespread Unemployment in M'Sila Reported**

45190114a Algiers ALGERIE-ACTUALITE in French  
6-12 Jul 89 pp 9-10

[Article by Abdelkader Hammouche: "M'Sila: Land of All Hope"]

[Text] In M'Sila, on the high plateau, the word "unemployed" has been an ever present reality since 1986. While the demand for jobs has been snowballing, jobs available have been barely adequate to meet the demand. M'Sila is an under industrialized area mainly devoted to agriculture and livestock raising. It is trying to absorb part of the shortage of jobs, thanks to the availability of land.

The fields stretch out of sight, absolutely flat. Here and there stunted trees have resisted the implacable rays of leaden sunlight. Certainly, a traveler who visits Hammam Dalaa District for the first time would find it difficult not to associate this region of the high plateau, which is part of the province of M'Sila, with the word "destitution." No smoke rises to the sky, indicating the proximity of a factory. A traveler also sees no sign of groups of people, which would be evidence of a construction project under way. Everything seems to be sound asleep. The principal street of the capital of this district is hardly more animated than a cemetery on a rainy day. This is an agricultural and livestock raising area. Like the other districts in M'Sila Province, Hammam Dalaa is part of the four least favored areas of the country, particularly from the point of view of employment.

A young hitchhiker to whom we gave a ride is himself unemployed. He said: "Work? There just is not any, but none at all. Perhaps there is a little work in M'Sila town itself. However, in Hammam Dalaa District people prefer to go to Algiers, Bouira, or elsewhere." His given name is Mohamed. He left school when he was in junior high. Or, rather, it was the school that "released" him. Since then he has continued to look for a job, but in vain. So, in order not to die of hunger, he has done odd jobs, successively working as a shepherd, a handy man, a farm laborer. Now 18 years of age, his future is already behind him. How many young people are in the same situation as Mohamed? The chief of Hammam Dalaa District explained: "According to the last census, active laborers are 15.17 percent of the total population." In other words, the unemployment rate is around 30 percent!

Certainly, this is a frightening figure, but it is the average for the whole province. For example, in Sidi Aissa Commune, according to Denidni, president of the APC [People's Communal Assembly], the unemployed amount to 55 percent of the work force. The leader of this commune explained: "Since 1988 no jobs have been created." You read it correctly: no jobs! Even worse: the Center for Vocational Training provides education for young people in certain specialties. However, there are

no jobs for them. Moreover, this institution, established 7 years ago, is still waiting for its equipment. Benyahia, leader of the UNJA [National Union of Algerian Youth] in M'Sila Province, said angrily: "The same recommendations have been made repeatedly since November 1988. However, in fact, nothing has been done. They always talk about doing something. Now the situation is really a matter for concern. It can become even more serious if this problem is not taken in hand." Taking the problem in hand means, in concrete terms, creating jobs.

Now, in Hammam Dalaa District, a region of extreme poverty, there are no factories at all, apart from three or four mills where the "season" is already over. There remains agriculture. In the view of all of the leaders, this is the sector where it is possible to create jobs over the short run, taking into account present conditions in the national economy and agricultural and livestock raising activity in the region.

Up to now, in Hammam Dalaa District, only one agricultural cooperative, employing 5 persons, has been set up, in Ouanougha. Two other agricultural cooperatives planned for this commune have just been added to six other cooperatives planned to be established in Hammam Dalaa. This will make it possible to create 66 permanent jobs. Elsewhere 128 temporary jobs will be created with funds pooled by local governments. About 21 jobs will be financed with the budget of the APC in Bouira Commune, which we mentioned previously. Finally, stamp taxes will create 278 temporary and permanent jobs. The district chief explains: "In all, 80 percent of the demand for jobs by young people will be satisfied. (They make up 60 percent of the population.) Consequently, tensions will be somewhat alleviated."

Meanwhile, it is a painful experience for hundreds of young people. Daoud, a middle school student, said: "I have looked for a job for several years, but without success. Each time they ask me to show them a yellow National Service card." The same cry of distress comes from Mohamed, a higher level, electromechanical technician, who lives in M'Sila town. He says: "For the past 5 months I have checked with all of the national companies. Without a yellow card it is impossible to find a job. There is also the matter of 'influence.' If you do not have that, it is useless to wear yourself out looking for work." Kaddour has been registered at the state employment bureau since 1986. Up to now he has had no response from this office. Ali, 18 years old and in second year of secondary school, blamed the "system." He said: "Our rights are ignored. They train us and then abandon us to get along by ourselves. Everyone in the province knows what is going on in the job market in M'Sila. You either have influence or have performed National Service. However, no one is interested in this situation."

Regarding the "yellow card," Benaissa, a section chief in the provincial government, stated directly: "The companies that have recruited workers have not raised this problem. Consequently, the provincial government knows nothing about it."



However, Law 82-06, which regulates work, is very specific on this matter: "National Service must not be made a condition for obtaining a job. However, a young man must state where he stands in terms of National Service."

Another serious obstacle for the employment of young people is obtaining job experience. Many companies continue to demand previous experience from young people 16 and 17 years of age before hiring them! This is a heavy demand that completely discourages those who wish to cooperate with the system.

In short, between the decisions made by the government and their application on the ground, a terribly long time goes by. There is plenty of time for their energy and enthusiasm to dry up, and bureaucratic red tape defeats even the most determined young people. This phenomenon is already disgusting in the northern part of the country. It has particularly dramatic features in the interior of Algeria. The result is that the people living in these regions have wound up with a distorted image of the government and of authorities satisfied with saying things and doing nothing. In effect it is concrete action that the 30,000 unemployed demand in M'Sila Province. Each year about 4,500 new workers come onto the job market. The demand for jobs is growing like a snowball rolling downhill. The ability of the province to create jobs is negligible. In 1988, 375 temporary jobs were created with support from the Local Communal Government Fund (FCCL). The provincial chief of the manpower service said: "However, the FCCL does not at all meet the needs of the young people. These are temporary jobs, last a short time, and are poorly paid. Now, the employment of young people involves vocational training. In other words, the acquisition of a minimum amount of training to prepare the young person so that he will not be permanently supported by an assistance program."

After the FCCL comes the special job program for young people managed by national companies. About 251 jobs were created in this way. A third actor operating in the job market is provincial companies that have made an effort to find 485 jobs. However, these are mostly in the agricultural sector, in the program of Accession to Ownership of Agricultural Property (APFA), which has achieved a better score—more than 500 jobs.

However, adding up all of these figures, the country is very far from satisfying a demand for jobs that is like a fever. Meanwhile, the provincial vocational training centers (seven in all) continue to train about 2,200 young people who find practically no job openings after obtaining their diplomas! In Hammam Dalaa District, like nearly everywhere else in the province, there is a plan to set up craft cooperatives to "find jobs" for some of these young people. Will these projects lead to anything? We shall see. What is certain, on the other hand,

according to a provincial official, is that "the job specialties taught in the CFPA's [Adult Vocational Training Centers] do not meet the economic demands of the job market."

That was the situation in 1988. As for 1989, there are several interesting projects under way, such as the distribution to young people of 250 sets of tools obtained by the Ministry of Commerce and turned over to them as a form of temporary assistance. There is a project to set up in Hammam Dalaa District a kind of industrial craft zone designed to attract private investors, 35 of whom have already expressed an interest. The zone will have industrial projects worthy of interest, units of stone masons, units for retreading tires, etc. It is anticipated that 1,968 jobs will be created for young people in 1989, 452 of which will be on a temporary basis. The APFA will provide the greatest contribution with about 450 permanent jobs on offer.

In short, therefore, the question of unemployment is a difficult and awkward matter for M'Sila Province, as for many other provinces throughout the country. The solution of this question can only come from an overall view of the area. However, it will also require a kind of vision that gives priority to the middle and long term, the only way to ensure real coherence. According to the National Committee for Job Promotion, by the year 2000 the unemployment rate will be 20.5 percent of the active labor force, under a more favorable assumption, and 26.8 percent, under a less favorable assumption. These figures require no comment. This is true to such an extent as of now that the authorities insist, above all, on maintaining existing jobs.

Regarding the provinces on the high plateau, including M'Sila, taking into account the fact that half of the program of jobs for young people is linked to investment—in other words to foreign exchange considerations—only the agricultural sector could absorb unemployment even partially, given the present condition of the national economy. Unquestionably, land development is the most interesting prospect, in the sense that it relates to several objectives. These include: bringing new blood into the ranks of the active population engaged in agriculture, fighting against the exodus from the countryside, increasing agricultural production, and increasing the planted area devoted to agriculture in an area seriously threatened by erosion and desertification.

The fact remains that the potential in terms of agricultural employment is not unlimited. Without a bold development strategy, the coming decades will find the agricultural economy between a rock and a hard place.

### **Sugar Fraud Costs Enapal Millions of Dollars**

45190105c Algiers ALGERIE-ACTUALITE in French  
22-28 Jun 89 pp 20-21

[Article by Rachid Hamou]

[Text] "Did you hear about the sugar purchase by Enapal [National Food Products Enterprise]? It seems that they

paid \$14 million to the supplier and that the merchandise doesn't exist." That question, expressed in different ways, has been put to us at least 20 times in recent days by all kinds of people avid for information. The rumor has already hit the streets, and everyone is adding his own version of the fact with many details. The figures range from \$12 million to about \$30 million, and as for the terms used to describe the transaction, they vary depending on who is speaking. Some people call it a purchase, while others describe it as a swindle or even come straight out with the word "embezzlement." The "anonymous" communique from the APS that was published in the daily EL MOUDJAHID was meant to be reassuring so as to calm public opinion. But on the contrary, it unleashed a barrage of questions (in letters, telephone calls, and so on). Take this example: "If no transfer of foreign exchange abroad took place" (as the communique says), "then why all the noise, and above all, why that communique?" The communique also mentions "a lawsuit against the supplier" by Enapal, but later on it talks about a "promise by the supplier to compensate the Algerian enterprise." In that case, why a lawsuit, which is the remedy only when there is disagreement between the parties involved and conciliation is not possible? The facts are entirely different, and unfortunately, the "story" is not as simple as they have tried to make us believe. As for the financial loss, there was one, and it was considerable. We were able to see that for ourselves throughout our investigation.

It all began on 16 November 1988 with an offer by the Khema Trading Company, Ltd., whose offices are in Gibraltar, to make 50,000 metric tons of refined white sugar available to Enapal at the price of \$296 per metric ton. It should be pointed out that Khema is a recently established company, that it had never signed a contract or done any business with Enapal, and that its offer was made without any inquiries having been made by Enapal.

The contract was signed on 27 December 1988, but in the meantime, the supplier had revised his prices upward. A metric ton of sugar was no longer worth \$296, but \$315.50—an increase of \$19.50 that brought the total contract up to \$15,775,000, with a tolerance of plus or minus 5 percent in the weight and therefore in the total price. Payment was to be made by an irrevocable and confirmed documentary credit. According to a book entitled "Vocabulary of Foreign Trade," that type of financing refers to a "contract under which a bank agrees, by order and for the account of a buyer, to pay the seller the price of goods sold against delivery of specified documents. The credit represents a firm commitment by the issuing bank and the bank's obligation to the beneficiary and to bearers in good faith of drafts issued against the credit to execute the clauses regarding payment, acceptance, or negotiation as set forth in the opening of the credit, provided that the documents or, if appropriate, the documents and drafts presented conform to the conditions of credit. A credit stipulated to be irrevocable cannot be modified or canceled except with the agreement of all parties involved."

The transaction in question is being financed by the Arab Intercontinental Bank (BIA), which was chosen by Khema, at Libor [London Interbank Offered Rate] plus three-eighths (Libor is the daily rate on the London Eurocurrency market).

The merchandise was to be delivered on four different ships (because of the weight), with each ship carrying 12,500 metric tons, and delivery was to be spread over a month: between the fourth week in February and the fourth week in March. The procedure calls for the supplier to be paid by the bank as soon as the merchandise is shipped. Payment is subject, however, to the presentation of a certain number of documents as provided by contract.

Since the Khema firm was incapable of delivering the merchandise it had sold (or perhaps never intended to), it signed a contract with the Eneald Consulting firm on 19 January. Under that contract, the latter promised to supply the 50,000 metric tons of sugar. In turn, Eneald signed a contract with a potential supplier known as the Foodstuffs and Electronics Enterprise. The Khema firm then asked its bank, the BIA, to issue a documentary credit for Foodstuffs in the amount of \$12.5 million for supplying 50,000 metric tons of sugar. On 7 January, the documentary credit that the BIA had opened for Khema with the Union Bank of Switzerland was "assigned" to Foodstuffs at the City Bank of Brussels. That technique, known as "back to back credit," means that "a documentary credit is assigned to a first credit known as the master credit. The beneficiary of the first credit is generally a middleman who, in turn, opens a second credit in favor of the supplier of the merchandise" ("Vocabulary of Foreign Trade"). In this specific case, Khema, which was only a middleman, received \$3,705,657.50—the difference between the original price plus the tolerance (+5 percent), or \$16,205,657.50, and the amount paid by Khema to Foodstuffs. At the request of its manager, the latter, acting through its bank (City Bank), transferred the sum of \$11.5 million to German Anton Garcia, domiciled at Barclays Bank in Madrid. City Bank, which for its part deducted \$1 million, advised Barclays Bank of the transfer in a telex dated 14 February 1989 in which it listed the documents required for payment, where it was stated: "Charter agreement bills of lading acceptable." A charter agreement is actually a "contract for the chartering of a ship.... It allows the seller to alter the ship's destination at any time." In fact, however, Enapal should have required simply a clean on-board bill of lading, which is a document by which the "ship's captain or a qualified representative of the shipping company acknowledges receipt of the goods and agrees to deliver them to a specific port." The telex also included "special instructions" in which it was stated that "the former documents are acceptable" and that "no document except the commercial invoice is to indicate the value of the goods, the unit price, or any name or address other than those of Khema."

In those conditions, it was easy to change the invoice and replace it with the one issued by Khema. That substitution (which incidentally is normal procedure) could thus be made by the BIA, which would then send the original invoice in the amount of \$16,205,657 on Khema's behalf along with the rest of the documents.

On 25 March 1989, Enapal learned from the port services that none of the ships designated to transport the sugar had appeared in the discharge ports (Oran, Annaba, Ghazaouet, and Mostaganem). Upon receiving that information, Enapal sent a telex to the BNA [National Bank of Algeria] asking it to reject (not pay) the documents.

But in a telex sent on 19 March—that is, almost a week earlier—the BNA had notified Enapal that on the day before, 18 March, it had received a telex from the BIA advising it that payments totaling \$16,205,657.50 had already been made in four installments between 10 March 1989 and 17 March 1989.

On 4 April 1989, Khema sent Enapal a telex in which it said: "We have been the victims of a swindle, and we regret that we cannot deliver the sugar to you at the moment." Those regrets are costing Algeria over \$16 million, while the "victim" has pocketed about \$3.7 million. At those prices, we would all like to be victims! It is true that for his part, the man named Anton Garcia pocketed \$11.5 million, which he quickly transferred to the Swiss People's Bank in Geneva. From there he transferred 100 million pesetas to Banesto [Credit Bank of Spain] in Madrid, 100 million pesetas to the Hispano-American Bank in Madrid, 98 million pesetas to the Central Bank in Madrid, 312 million pesetas to the People's Bank in Valencia, and \$500,000 to Barclays Bank in Madrid. The balance of approximately \$6 million is probably on deposit in the Swiss People's Bank in Geneva. Action by Spanish authorities has made it possible to freeze all the funds on deposit in Spanish banks and to arrest two individuals who were attempting to withdraw the money. But the man named Anton Garcia is still at large. Actually, he is probably someone who assumed the identity of a Spanish national and rented office space with a telephone in Madrid and Santo Domingo so as to give the illusion of activity.

"I am absolutely amazed that an operation like this should cause such an uproar," we were told by Enapal's general manager. "We have had many contracts that were canceled without being executed or after execution had started, but there has never been this much publicity. All firms have these problems, and we sometimes go to court to get our money back. I can assure you that in this case, Algeria has not paid anything and is not going to pay anything. We have already recovered our security money, which amounted to 5 percent of the contract (\$788,730). The main reason we chose that supplier to begin with was that he was the cheapest: he was asking \$10 less than the market price, and that would have saved us \$500,000. Also because he had solid guarantees through the Libyan Foreign Bank and the

BIA, which is 50 percent Libyan and 50 percent Algerian. It is true that this was the first time we had done business with Khema, which is also 70 percent Libyan owned, but we have about 500 contracts per year, and we have signed contracts with many new companies without experiencing problems of this kind. As far as payment is concerned, and I say this again, I can assure you that Algeria has not paid anything, and I challenge the BNA to show you a transfer order issued by Enapal." At the BNA, we met with an official who explained to us the bank's position on this matter. The BNA's argument is based on the regulations governing this kind of transaction. "In this situation, one must distinguish between two things: the relationship between supplier and purchaser—in this case Khema and Enapal—and the relationship between the banks handling the transaction. What negligence, connivance, or mistake could the bank be guilty of? In my opinion, none. The transaction in question involved an order for sugar between Enapal and that company. The method of payment chosen was documentary credit, and that is where the bank entered the picture. Documentary credit is a very common, traditional, and very widely used practice in the world, and it is governed by what are called the 'Uniform Customs and Practices' ('Uniform Customs and Practices for Documentary Credits'), which were adopted by the International Chamber of Commerce (ICC) and have almost the force of law when it comes to interpreting the bank's obligations." When asked whether Algeria was going to pay or not pay, the same official told us: "Unquestionably, this is a case where Algeria is going to pay. This was an transaction covered by a credit granted by the supplier's bank—in this case the BIA. It was a 12-month credit. The supplier was paid upon presentation of documents 'evidencing' shipment of the merchandise. From the very moment when the supplier is paid, the credit period begins for us. It will be fully paid exactly 1 year after the date when the supplier was paid. But in the meantime, beginning in September 1989, we will be making interest payments, because the credit in question carries a rate of interest in accordance with Algeria's usual conditions. And the market rate for the U.S. dollar is Libor (London Interbank Offered Rate) plus a margin of three-eighths, which is the nominal spread that Algeria pays for a 12-month credit. In the case of this contract, Algeria will pay the first semiannual installment of \$923,980.04 in September 1989. The second semiannual installment will be paid in March 1990, and if Libor stays the same, the amount will be more or less the same, in addition to which the principal will have to be repaid, making a total of about \$18,053,637.58. It can be considered here and now—despite what was said in the APS communique appearing in EL MOUDJAHID—that Algeria has a commitment and has no way of backing out of it."

It therefore appears that under the rules governing documentary credit, the BNA is bound to pay the BIA. Article 3 of the "Uniform Rules and Practices" stipulates that "credits, by their nature, are separate transactions from the sales or other contracts on which they may



be based, and banks are in no way concerned with or bound by such contracts." Further on, under article 16, we read this: "If a bank authorized for the purpose effects a payment, commits itself to effect a deferred payment, accepts, or negotiates against documents which appear to be in accordance with the terms and conditions of a credit, the party giving the authorization must reimburse the bank that has effected the payment." As far as the role played by the BNA is concerned, those same rules place it completely above the fray. Article 17 stipulates that "banks assume no responsibility for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any document.... Nor do they assume any responsibility for the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods represented by any document whatsoever."

So it remains to be seen what will happen if the BNA refuses to pay the sums due, because they are in fact due even if the goods were not delivered. According to BNA officials, "in such a situation, the BIA would immediately sue us for nonpayment of an acknowledged debt. Moreover, because of its legal obligations, the BIA would have to inform the Bank of France that an Algerian bank had refused to honor its commitments. The Bank of France would then inform every bank having an office in Paris. The immediate result would be a halt to the financing granted to all Algerian banks and a simultaneous halt to the confirmation of documentary credits opened by Algerian banks. Another consequence, and one even more serious for Algeria, is that all interbank credit agreements (financial credits and compulsory issues) include what is called a cross default clause. It stipulates that if a borrower defaults on any credit in even the slightest degree, all other credits become due and payable immediately." In other words, if the BNA refuses to pay, and beyond any other steps that might be taken, all of Algeria's creditors will be entitled to demand immediate reimbursement of their claims.

So what should be done? On this subject, the BNA has made proposals which, while not providing a miracle solution, are at any rate realistic. "Insofar as Khera admits its responsibility, it must make good the loss and execute the contract and also pay the financial costs due the bank, which are covered by a bank guarantee. If Khema, which seems to have been severely hit and which, moreover, is being penalized by the rise in the price of sugar, cannot live up to its contractual obligations, we will have to begin by recovering the amounts deposited with Barclays and those collected by Khema from the BIA and the UBS [Union Bank of Switzerland]." In any case, the sums that can be recovered (if in fact they can be) represent only a small percentage of what Algeria will have to pay.

It is absurd that an enterprise such as Enapal (formerly ONACO [National Marketing Office]), which has nearly a quarter of a century of experience in the field of imports, should let itself be swindled so easily. Moreover, Enapal is an enterprise which, in its day-to-day operations, sends the most foreign exchange out of the

country (without bringing any in). It would therefore be more natural to provide Enapal with purchasing mechanisms that would be easier to monitor and that would enable it to avoid falling into the trap of middlemen. In this specific case, we have truly gone from one extreme to the other. The Government Procurement Code (Decree No 82-145 dated 10 April 1982) prohibited the use of middlemen. Now that that code has been repealed, we are foundering in excess, and in the case of this specific transaction, Enapal "utilized" no fewer than four middlemen—can anyone top that? This leads us to ask ourselves a few questions. For example, who introduced Khema to Enapal and the BIA? And why did Enapal, which was dealing with Khema for the first time, sign a contract of that size without knowing anything about the company and without bothering to ask the BNA for information about it? It would have been much more logical to divide the contract into four contracts since there were supposed to be four separate deliveries in any case. We will most certainly be accused of splitting hairs.

#### **Indiscriminate Development of Farmland Criticized**

45190105a Algiers ALGERIE-ACTUALITE in French  
22-28 Jun 89 p 9

[Article by Kader Yessad]

[Text] This time it has gone too far, say some, and others respond that there is danger in delay. And for good reason: thousands of hectares of our best land are being steadily swallowed up by concrete. It is a real massacre that human stupidity has caused and is perpetuating in all its ugliness. Under the sometimes impassive eye of public authorities, which have long been lost in conjecture.

It is a scourge to which those authorities have timidly responded with isolated actions whose limitations and ineffectiveness have quickly manifested themselves. As a result, a phenomenon whose consequences threaten to become tragic in the long run has become almost uncontrollable or even insurmountable.

The worst of it is that even the most fertile plains—such as Mitidja, Annaba, and Hamma Bouziane—have also been assailed by concrete on all sides. Those are lands eminently suitable for agriculture, but unfortunately, the orchards are tending more and more to disappear in the path of all those horrible buildings, each of which reminds us of the regrettably famous bunkers of the last war.

With every year that God gives us, an incalculable number of hectares are thus sacrificed to please certain people who could not care less about an agricultural legacy that is melting like snow in the sun. The phenomena of uncontrolled and anarchic urbanization that have occurred on agricultural land over the past two decades are to a large extent responsible for a situation that many of us describe as disastrous.

By the year 2000, at the rate things are going, 70 percent of the population will be concentrated on less than 1 percent of the national territory, mainly around those megalopolises that Algiers, Oran, Annaba, Blida, and Constantine have become. The advance of concrete, which despite everything is continuing to pose a serious threat to the country's coastal strip, is certainly not going to be stopped in a hurry.

Our thoroughly mistreated coastal strip (11 million hectares out of the 231 million making up the country) is continuing to shrink steadily. Is it not true that the industrial zones of Saida, Mascara, and Arzew were built on top of bodies of water and agricultural land? Is it not true that the cement plants in Meftah, Chlef, and Hamma Bouziane were built where orchards once stood? Spare us the rest. The list is an exhaustive one.

As can be seen, the concentration of industrial establishments and the development of housing areas and other service infrastructures have led, as was to be expected, to the inordinate growth of large urban centers. In most cases, that growth has occurred precisely on what are considered the most fertile agricultural lands.

It is, therefore, urgent today that we again place the policy of territorial development in all its aspects at the forefront of our basic concerns, since only such a policy can save us from more difficulties. To a courageous soul, nothing is impossible.

### Smuggling Continues Despite Efforts To Control It

45190114b Algiers ALGERIE-ACTUALITE in French  
29 Jun-5 Jul 89 pp 20-21

[Article by Amar Abbas: "Smuggling: Goods in Exchange and the National Interest"; first paragraph is editorial comment]

[Text] The "big bosses" of the smuggling traffic are so powerful that they have no problem in finding sophisticated ways of cutting through the net of national sovereignty with increasing effectiveness. How long will this situation go on?

"Everyone knows that Eastern Morocco is supplied from Spain and now also from Algeria." This statement by customs officials is most certainly true. It also provides evidence of criminal activities and the state of mind of those involved in them. Although smuggling across our borders has always existed, it has now nearly intolerable. The smugglers of today, in their desire to fill their pockets quickly, are no longer embarrassed by sentiment. Making Algerian babies go hungry by depriving them of milk no longer disturbs them. Cries from the heart have never been a stumblingblock preventing the construction of costly homes that are going up here and there. No doubt it was also for that reason that recently in Beni Yasnous (Sebdeou Province) a number of men living in villages along the Algerian-Moroccan border publicly expressed their discontent about a situation

which is becoming exceedingly complicated. They were tired of buying Algerian milk for babies in Oujda [Morocco] and at times paying for it in Moroccan currency. They openly expressed their dissatisfaction and their questions regarding the inability of the authorities to stop an evil that is undermining the national economy and trampling on Algerian dignity.

In 1988 Algerian customs officers seized, among other things:

- 1,400 liters of edible oil
- 5,000 cans of Lahda [powdered milk]
- 140 kilograms of butter
- 4.8 tons of sugar

The financial value of the different seizures amounted to 40 million dinars. 1,000 Algerian dinars are worth 180 dirhams in Morocco (nearly six times the value of the dinar). These are official figures. As far as the remainder of this trade is concerned, only the devil and his assistants could tell us more about it.

In 1989 whatever can bring in money—preferably in foreign exchange—is sold on the other side of our borders. Everything goes there—or nearly everything: milk, oil, sugar, dates, semolina, flour, kitchen utensils of copper and tin, gas-oil, livestock, and we could mention more. The mass consumption items carefully supported by the state have priority. And what was until now the pride of Algerians is raffled there for goods in exchange: electronic gadgets and devices rejected by the European markets as inferior in quality. Strangely enough, Algerians are attracted by everything that sparkles. They forget that they are selling their sovereignty and their dignity for leftovers. They forget that they are serving as outlets for the rubbish of the international market.

With two customs posts spread along 160 kilometers of border with Morocco, the Tlemcen area, which is mountainous and difficult to control, is an excellent zone of operations for the smugglers. Does that mean that it is the base for this cancer grafted onto the Algerian economy?

The people to whom we spoke on this subject said no. More specifically, at the provincial customs and trade offices people were even surprised that so much attention is being directed exclusively at the Western borders of the country. They told us: "You seem to forget that our borders with Tunisia, Mali, Libya, and Niger are like sieves. Most of the smuggling goes on in those areas."

Khellaf, director of the Division of Economic Regulation (DRE) in Tlemcen, has difficulty in accepting the fact that "there is a significant movement of mass consumption items to our Moroccan neighbors. Perhaps there are some leaks in the border, but nothing more than that." In his view the tons of merchandise stacked up in customs warehouses do not explain anything. They could come from Algiers. And why not? And to support his statements more effectively, he brings out the national distribution program. He says: "Although our needs are only

70 percent satisfied by the program and we are not going through a major crisis, does that not explain sufficiently well that our section of the border is not particularly leaky? It is for this reason that we consider that all of this 'uproar' penalizes this province, first of all, because the distribution services could believe that we have surplus supplies on hand."

The director of the Office of Trade went further in stating: "Since the reopening of the border with Morocco the government services involved have reported the passage of 100,000 vehicles and 500,000 persons. So add the needs of these persons passing through for gasoline and food to our own needs and you will understand why we are afraid of the possibility of restrictions."

Although those whom we spoke to seemed to be afraid about the future, each time that a journalist shows himself around the area it is reportedly only to protect the people whom they administer. As far as other people are concerned, they "have the same status as other Algerians regarding what is going on at the border. We do not have the slightest proof."

An official from the Office of Distribution reportedly even made a visit to Oujda to check "all of these statements." He found that these shipments allegedly were not in excess of meeting the needs of a small commune. So much for that.

At the customs office A. Salah, the principal inspector, said flatly that for nearly 2 years they have not handled operations on a major scale. Here and there, of course, there have been small seizures of contraband, but nothing more.

In his view there is a problem, but in view of the present state of things, he could only stop it with difficulty. Why? He replied: "You first have to strengthen the existing resources: get more vehicles and spare parts and provide legal protection to customs officers. And then make the Algerian people sensitive to the problem."

Here we might make a side remark: how can we reach the hearts and minds of those who for a long time have paid little attention to the national interest? After we make this remark, our customs officer would probably refer us to the example of Moroccan citizens who call on the "makhaznis" (border auxiliary guards) whenever strategic products are in short supply. He says: "We all need to be on guard." Beginning with the customs officers? Although the intentions of the man we were talking to are good, we must accept the fact that in 1989 there is little chance of checking things on the ground. (The abolition of a foreign exchange allowance for tourists might give ideas to the most loyal people.) So we must look for something else.

First, we must deal with the bosses of the contraband traffic. The "big fish" are known. It is necessary to use major resources to keep them from carrying on such improper activities. Then it will be necessary "to concern ourselves with the agents whom they employ."

These thousands of young, unemployed people are easily tempted by what can bring back a large return. Driven by unemployment, they can easily hold their noses and believe that money does not smell. So we face this need: full development of the border areas to halt the rural exodus first and then turn people away from the "temptations of the devil."

In Tlemcen, consideration of this subject has been going on since 1986. It concerns the Trara mountains, where there are considerable pockets of under development and, therefore, potential reservoirs that the leaders of "the Algerian mafia" will draw from.

At Bab-el-Assa the first steps in this direction have been taken. The rest of the region reportedly will follow.

However, will this really provide us with protection from surprises? Good sense tells us "no." This is because these "big bosses" of the contraband traffic are so powerful, financially and in "other" directions, that they will find complex ways of cutting through the net of national sovereignty. Good sense would add: you, therefore, have to use much larger resources. Of course, we will not talk about the closure of the border.

#### **This Army on Our Borders**

There is a private army on our borders. It is not the ANP [People's National Army]. And it is not the Salvation Army. It is an army that is organized, well supported, and armed. It is made up of the sons of Algeria, of the sons of the people. It is made up of those whom unemployment and the hunger felt by kids forces them daily to play with the national interest.

The godfathers of the Algerian contraband system have found in them a resource ready for exploitation. Despite itself, this army is used to raffle off Algeria at the highest price. This army is engaged in this effort. Without enthusiasm but fully involved in it. It lacks courage, which leads it to affect an air of not caring. These young men are recruited every day, every week, every month to play the role of cannon fodder, to play the game of crossing the mountains. They transport Algerian milk, gasoline, and semolina paid for with foreign exchange. They bring back worn blue jeans that look like the clothes that bums wear and 1,000 franc watches. They engage in trade. They have "insurance": food and medical treatment for the boys. And if they are unlucky when they arrive at the agreed upon place, there is a comfortable pension for the orphans. And the mother of the orphans will observe "Omerta" [silence] because for the bosses of the mafia the boys "died on the battlefield." Can the state say it better than that? Can it do better than that?

Yes, on condition that it respects this principle: "Where did you get this?" And that it asks the question generally.



## EGYPT

**Interior Minister Allegedly Responsible for 14,000 Arrests**

45040413 Cairo LIWA' AL-ISLAM in Arabic  
5 Jul 89 pp 46-47

[Article by Badr Muhammad Badr: "More Than 17,000 Arrested During Zaki Badr's Administration"]

[Text] The public prosecutor's complaints office has issued statistics for the period from 1 March 1986 to 9 February 1989 on numbers of people arrested and detained, release rulings issued concerning them, complaints lodged by them, and the extent to which these complaints were accepted or rejected. The statistics reveal that more than 14,000 people were arrested and detained during the period—i.e., from the appointment of the current interior minister until the question was raised by Counselor Muhammad al-Ma'mun al-Hudaybi, head of the Muslim Brotherhood parliamentary group in the People's Assembly. The statistics reveal that despite judicial rulings for the release of most of those arrested, the Interior Ministry would immediately object to the release, in order to insure that the person would be imprisoned as long as possible.

The statistics say:

1. 12,472 people were arrested and detained during the period.
2. There were 16,311 complaints during the same period. (Some detainees presented more than one complaint.)
3. Divisions of the High Court for State Security (Emergency Law) examined 15,564 complaints.
4. Divisions of the High Court for State Security (Emergency Law) issued 12,447 release rulings. (Cf. item 1: Release rulings from divisions of the High Court for State Security were almost 100 percent.)
5. Divisions of the High Court for State Security issued 1,694 rejection rulings. (Note that some people were imprisoned pending investigation in cases of drug or currency trafficking.)
6. There were 9,243 appeals presented objecting to the aforementioned release rulings issued by divisions of the High Court for State Security (Emergency Law, Section 4). Note that the Interior Minister objected about 75 percent of the time.
7. Divisions of the High Court for State Security issued 8,259 rulings rejecting the Interior Ministry's objections and upholding previously issued release rulings to free the prisoner. (Note that the court rejects the Interior Ministry's objection in about 90 percent of appeals because of lack of seriousness or lack of a reason for imprisonment originally.)

8. Divisions of the High Court for State Security issued 915 rulings accepting appeals by the Interior Ministry to cancel previously issued release rulings.

9. Divisions of the High Court for State Security issued 1,423 rulings to suspend action and not accept complaints.

10. In 747 complaints, the judge of the Cairo Court of Appeals issued a ruling to suspend action because legal requirements were not fulfilled, or the Interior Ministry released the detainees, so that the complaints were not submitted to divisions of the High Court for State Security.

11. 1,599 persons were rearrested and presented a new complaint.

12. The High Court for State Security issued 69 rulings to suspend appeals, generally because the detainee had been released.

Concerning these statistics, Counselor al-Hudaybi said that the courts have ruled that more than 80 percent of the detainees had been arrested without justification. This means that the Interior Ministry has badly misused the emergency law and is trifling with people's freedoms, honor, humanity, welfare, and livelihood. It is treating them with a contempt unequalled in any civilized country in which the ruling authority feels that it is dealing with countrymen who are its own, and that they must be treated on a basis of affection and respect.

Counselor al-Hudaybi stated that these statistics conclusively prove that the Interior Ministry has acted arbitrarily and misused the powers granted to it under the emergency law. If one adds to that the recurrent and widely known mistreatment of prisoners, which has extended to torture, maltreatment, and deprivation of the basic requirements of survival, plus the fact that detainees numbered more than 3,000 after 9 February 1989, with an average of about 5,000 people arrested in 1 year, these matters give a picture of an outrageous situation that evokes revulsion and anxiety.

## ISRAEL

**Statistics Given on Killed, Wounded in Gaza**

44040415 Haifa AL-ITTihad in Arabic 21 Apr 89 p 6

[Article by Rashad al-Madani, Bir Zayt University]

[Text] The Palestinian intifadah (uprising) in the occupied Arab territories goes on. It will not quiet down nor cease. That is what is attested to and made plain by Israeli security sources. These sources have also confirmed that negotiations cannot be held with the Palestinians without the PLO. In spite of this, the Israelis comprehend better than anyone else the true dimensions and goals of the intifadah which has split Israeli public opinion. The aim of the Palestinian intifadah is not to eliminate or destroy Israel. Its aim is to get rid of the

hateful occupation, and to liberate Palestinians from all forms of exploitation, degradation, and oppression. Its aim is securing their freedom, dignity, and honor by establishing an independent Palestinian state on their national soil under the leadership of their sole legitimate representative the PLO, and living in peace and security beside Israel. Perhaps the Palestinian peace initiative of Commander Abu-'Ammar [Yasir 'Arafat], in his historical speech in Geneva, as well as the positions of most of the states of the world, have shown and attested to the fact that Palestinian intentions and dispositions are sincere about coexisting under two states for two peoples, the state of Palestine and the state of Israel.

#### Shamir's No's and Reality

In spite of this, Shamir is constantly proclaiming his famous no's: no to a Palestinian state, no to negotiation with the PLO, and no to an international conference. But Shamir knows well that the key to a basic solution must be through the PLO; otherwise why was the United

States forced to open a dialogue with the PLO? And why have some official Israeli voices been raised calling for negotiations to be held with the PLO, voices such as those of the Israeli Minister Ezer Weizman and Assistant Minister of Finance Yosi Beilin, and others. Why did American Secretary of State Baker state for the first time in mid-March that one cannot dismiss the possibility of direct negotiations between Israel and the PLO, and that perhaps this would be essential. What does more than 50 percent of Israelis approving talks with the PLO mean? What is going on in the occupied Arab territories and on the international stage will convince most Israelis that talks with the PLO are inevitable, and ultimately Shamir or someone else will be forced to accept that.

#### Those Wounded by Israeli Action

The number of people in the Gaza Strip wounded in the period from December 1 1988 to March 31 1989 is 5824, and they are distributed as follows: see Table 1:

Table 1

Cause	Dec 1988	Jan 1989	Number of Wounded Feb 1989	Mar 1989	Total
Gunshot	212	281	168	274	935
Plastic bullet	22	151	163	107	443
Beating	864	598	803	1257	3522
Rubber bullet	127	22	40	14	203
Gas	154	224	131	212	721
Total	1379	1276	1305	1864	5824

The following is clear from Table 1:

- The average number of Gaza people wounded daily by gunfire and plastic bullets is between 10 and 12.
- The average number of those beaten every day by the occupation forces is between 29 and 30.
- The average number of those affected by tear gas bombs is six people a day.

The geographical distribution of those wounded by gunfire—935—from December 1 1988 to March 31 1989 (see Table 2).

The following is clear from Table 2:

- The clashes and confrontations between the populace and the occupation forces occur in all parts of the Gaza Strip. We considered Khan Yunus as a whole, including the villages around it and similarly Jabalya Camp and its surrounding areas (Jabalya township and Bayt Lahya).
- Most of the clashes and confrontations are occurring in Khan Yunus, Jabalya Camp, Gaza, al-Shaykh Radwan, Beach Camp, and Rafah.

Table 2

Region	Number Wounded
Khan Yunus	205
Jabalya Camp	152
Gaza & al-Shaykh Radwan	147
Beach Camp	134
Rafah	108
Al-Nusayrat Camp	68
Dayr al-Balah	43
Al-Burayj Camp	35
Bayt Hanun	27
Al-Maghazi Camp	16
Total	935

Distribution of wounded, 935, according to location of injury. See Table 3.

Table 3

Injury Location	Number Wounded
Head	92
Neck	7
Shoulder and back	34
Abdomen	59
Pelvis	12
Extremities	676
Buttocks	6
Nose and face	31
Genitals	5
Diverse places	13
Total	935

The following is clear from table 3:

- Most of the injuries were to the arms and legs and their components such as the knee, thigh, foot, forearm, and heel. They are about 72 percent of the overall injury total.
- Ninety-two were wounded in the head by gunfire in the period from December 1 1988 to March 31 1989, and this represents 9.8 percent of the overall total, 935, of those wounded by gunfire. These 92 are distributed by month as follows: December 1988, 18; January 1989, 22; February 1989, 28; March 1989, 24.

From the previous table it is evident how serious wounds to the head, neck, back, abdomen, pelvis, and genitals are to the victims, for they could lead to paralysis, other permanent disabilities, or death.

Distribution of those wounded by gunfire, 935, by age group. See Table 4.

Table 4

Age Groups/Years	Number Wounded	Percentage
1-14	169	18
15-20	510	54.6
21-25	115	12.3
26-30	62	6.6
31+	79	8.5
Total	935	100

The following is clear from Table 4:

- The number of wounded between 15 and 20 years of age comprises more than half the total number of 935, and this means that most of those of this age are students.
- The number of children under 15 years of age, 169, represents about 18 percent of the overall total of 935 wounded, and this means that the number of wounded under 21 years of age represents about 72.6 percent of the total wounded.
- The vast majority of wounded are students and workers.

#### Martyrs of the Intifadah Among the People of Gaza

The number of Palestinian martyrs among the people of Gaza who have fallen to Israeli action since the beginning of the intifadah up to April 4 1989 is 174, males and females. They are distributed geographically as follows:

Region	Number of Martyrs
City of Gaza and environs	40
Rafah and camp	29
Jabaliya Camp	26
Khan Yunis and camp	22
Beach Camp	17
Al-Burayj Camp	9
Al-Nusayrat Camp	6
Dayr Balah and camp	6
Al-Maghazi Camp	5
Jabaliya Town	4
Bayt Hanun	3
Bani Suhayla	2
'Absan	2
Bayt Lahiya and project	2
Al-Qararah	1
Total	174

#### Distribution of Martyrs by Age Group

Age Group/Years	Number of Martyrs
Under 11	18
11-15	19
16-20	57
21-25	37
26-30	11
31-35	7
36-40	3
41+	22
Total	174

**Distribution of Martyrs by Month Since the Beginning of the Intifadah**

Month	Number of Martyrs
Dec 1987	20
Jan 1988	20
Feb 1988	8
Mar 1988	18
Apr 1988	22
May 1988	6
Jun 1988	3
Jul 1988	6
Aug 1988	16
Sep 1988	9
Oct 1988	5
Nov 1988	4
Dec 1988	9
Jan 1989	8
Feb 1989	6
Mar 1989	14
<b>Total</b>	<b>174</b>

**Distribution of Deaths by Cause**

Cause	Number of Martyrs
Gunfire or plastic bullet	114
Gas	34
Beating	18
Other: burns, explosions, shock	8
<b>Total</b>	<b>174</b>

**Distribution of Martyrs by Profession**

Profession	Number of Martyrs
Workers	69
Students	59
Children under 6	16
Housewives	12
Miscellaneous	12
Unemployed	6
<b>Total</b>	<b>174</b>

**References:**

1. Government hospitals in the Gaza Strip.
2. The Arab National Hospital in the Gaza Strip.
3. UNRWA [UN Relief and Works Agency for Palestine Refugees in the Middle East], Gaza.

4. The Haifa newspaper AL-ITTIHAD, Haifa.
5. AL-QUDS newspaper, Jerusalem.
6. AL-FAJR newspaper, Jerusalem.
7. AL-SHA'B newspaper, Jerusalem.
8. The media establishment, Gaza.
9. AL-BAYADIR AL-SIYASI magazine, Jerusalem.
10. Field trips.

**LEBANON**

**Arab Summit Conference in Casablanca Analyzed**

44040472 Beirut AL-AHD in Arabic 2 Jun 89 p 2

[Article: "Casablanca Summit Resolutions Assessed: At the Lebanese Level, Struggle Turns Political; At the Arab Level, Map of New Balances and American Pressures"]

[Text] The Casablanca Summit, proceedings and results, has been the subject of discussion and follow-up for a number of days now in an attempt to draw a picture approximating the Arab political map and the routes it takes.

This emergency summit, one of the extraordinary summits preceding the Riyadh summit which has been put off for 7 years, presented an opportunity for a number of Arab countries to realize benefits that serve their political tendencies.

The summit was convened at the request of the PLO, which wanted to get a unanimous Arab cover for the fundamental shifts in its course of action which have occurred since the Palestine National Council (PNC) conference held in Algiers came out with the famous resolutions. The PLO wants to use this cover to give impetus to its settlement course and to harden its negotiating position vis-a-vis the United States. This is within the framework of its dialogue and in the face of American pressures that are being exercised to persuade it to accept Shamir's plan to hold elections on the West Bank and the Gaza Strip, with a view to achieving autonomy for the Palestinians without Israeli withdrawal, and on the basis of rejecting dialogue with the PLO and rejecting the Palestinian state. An Arab cover for the PLO's tendencies and positions provides it with an Arab depth that precludes its isolation. Furthermore, a unanimous position undercuts American efforts to use moderate Arab countries to goad the PLO into making greater concessions.

The Palestinians request for holding an emergency Arab summit corresponded with the desire of the Gulf countries, Saudi Arabia and Kuwait in particular, to rehabilitate the Arab League as an institution for universal collective Arab action when they perceived that fragmentary Arab action raised political, economic, and security hazards. A specific case in point is the Arab

Cooperation Council (ACC) which emerged as a political-economic axis comprised of countries that have geopolitical demarcation lines with the Gulf states. This council produced hazards growing out of indomitable political ambition and an extortionate attempt to cover the economic deficit of its poor member countries from the rich brothers' coffers. For the distinguishing feature of the ACC member countries is that they are all burdened with heavy debts and interest on debts, so a return to collective Arab action would help to soften the political impact of Arab axes. In the case of the four-member council, laying the foundation for the comprehensive return of Egypt would facilitate its exit from the axis, thus undermining the council.

Furthermore, the Iraqi regime, seeking to weaken the Syrian position on the Arab level and to remove the obstacles blocking its attempts to play a pioneering role in the Arab community, saw in the Arab summit an opportunity to embark on a campaign to end Syria's exclusive control over the Lebanese crisis. In view of this quest and such hopes and desires, the Syrians opted for participation in the summit rather than for a boycott which would heightened its isolation. For, aside from overlapping desires between them and the Gulf countries to revive collective Arab action, the Syrians, who follow the principle of "flexibility and maneuvering" in political action, believed that their participation in the summit would allow them to break through Arab positions that are opposed to them.

It was under such unspoken concurrence that the Arab summit was convened while conflicts, intentions, and plans reigned over its agenda, and its outcome and resolutions were branded by the consequences of the "wars" of Arab balances.

In view of the urgency of the Palestinian question and the Lebanese crisis, the significance of the Casablanca Summit resolutions seem to be reflected in those related to these two issues, while the summit dealt with other matters (Egypt's return, the Gulf war, Libyan demands) in a conciliatory fashion. The Egyptian president and his speech received an unusually warm welcome. Regarding the Gulf war and the anticipated call to put an end to the no-war no-peace situation, the conference "reaffirmed its full solidarity with Iraq's historical rights of sovereignty over the Shatt al-Arab and supported the Iraqi call to open this waterway to navigation." This, in effect, is an expression of Arab support for the Iraqi position that rejects the 1975 Algiers agreement.

Just as striking is the fact that the final communique supported Libya's sovereignty over the Gulf of Sidra while it excluded the dispute between America and the Libyan regime over whether Sidra is international or belongs to Libya. These texts demonstrated the conciliatory direction the summit followed in conducting its business and making its decisions.

What about the resolutions pertaining to the Palestinian and Lebanese questions?

With regard to the resolutions related to the Palestinian question, it must be reported first of all that the summit was torn between two trends: the Syrian trend and the Palestinian ('Arafatist) trend, while the other countries subscribed to one or the other or took a middle position in an attempt to bring them together. What this means, among other things, is that the Syrians maintained their refusal to leave the Palestinian question to the PLO and insisted on viewing it as an issue of concern to everyone, against the almost universal Arab inclination to acknowledge the PLO's right to resolve the situation.

What is the nature of the resolutions?

First, the resolutions, noting that the Lebanese media did not publish the text of the resolutions but rather reported on them while it published the full text of the final communique, were largely marked by conciliation between the two trends: the Syrian and the Palestinian ('Arafatist). The final communique and resolution included the clause "to mobilize Arab energies...to achieve a universal strategic balance," which is a Syrian demand. The resolution also included a reaffirmation of support for the Palestinian peace initiative based on the Arab peace plan, a Palestinian ('Arafatist) demand, and for his positions vis-a-vis American-Israeli pressures.

Second, the resolutions fulfilled 'Arafat's desire to obtain an Arab cover for his course of action (when the conference reaffirmed support for the Palestinian peace initiative; when it backed the establishment of the Palestinian state; when it called upon the United States to change its position toward the PLO and the rights of the Palestinian people; and when it backed the Palestinian position that elections can take place following Israeli withdrawal and under international supervision as part of a comprehensive peace process).

Third, the resolutions did not reflect a Syrian change of position on the settlement process in the Middle East. They do not mean that Syria is likely to approve the PLO's settlement course, as is apparent in the carefully worded texts, not to mention the fact that the summit in and of itself did not provide a good enough incentive to change positions. For in the article that reaffirmed support "for the Palestinian peace initiative," the Syrian delegate noted that Syrian approval did not mean recognition of "Israel." Rather, paragraphs in the final communique pertaining to the Palestinian questions began with a reaffirmation of "the Arab peace plan principles" established at the Fez Summit. In reaffirming support for the Palestinian initiative, the communique linked such support to the Fez plan which means restricting the 'Arafat settlement course to the restraints of the Arab collective settlement movement. On this premise, some believe that by offering 'Arafat an Arab cover on the one hand, the conference placed restrictions on the 'Arafatist movement on the other hand. In any case, the summit resolutions do not reflect a Syrian change of position on the Arab-Israeli conflict, but rather a follow-up of the position adopted at the time of the 1982 summit.



One last important observation is that the final drafts of the resolutions did not include the term, "Israeli enemy," which had appeared in the Syrian paper. This undoubtedly has its moral connotation and symbolic value.

With regard to the resolutions pertaining to the Lebanese question, the conference witnessed a sharp Iraqi-Syrian conflict. But Syria's flexibility and maneuvering, and its accommodating stance on Egypt's return and the Palestinian question, not to mention the Gulf countries' apprehensive positions, all contributed to the realization of a Syrian victory over and isolation of the Iraqi role. The resolutions were as follows:

First, the Syrians succeeded in having a clause eliminated that called for withdrawal from "a secured area in greater Beirut" or from "greater Beirut" and for the dispatching of an observer team, Arab troops, etc., which would have undermined Syria's operational role in Lebanon.

Second, the Syrians scored a victory for its viewpoint of imposing political reform as a condition for holding presidential elections. The resolution pertaining to the Lebanese crisis stipulated that the parliament shall elect a president of the republic "following the ratification of the political reform document to be adopted following consultation with the Lebanese sides."

Third, they also scored a victory for their viewpoint that a national conciliation government shall determine the fate of Syrian presence, relegating the eastern side's demand for withdrawal to the bottom of the ladder. The order became as follows: reforms, elections, conciliation government and then discussion of withdrawal. This is apparent in paragraph 4D of the resolution: "support for a Lebanese government growing out of national conciliation in adopting measures it deems necessary to exercise its full sovereignty."

Fourth, the creation of a three-member committee made up of two kings and a president could be interpreted as breaking Syria's exclusive hold on the Lebanese crisis. But the political framework of the committee's action, as defined in the resolution, softens the possible negative impact of this makeup.

In the final evaluation, there is no doubt that the Arab resolution constitutes a strong political defeat for the "eastern" side and a major political victory for Syria's "national," Islamic rank. It is a far more advanced outcome than that of the Arab foreign ministers council. For while this resolution lacked any definition of a political framework for dealing with the Lebanese crisis and only outlined a security-executive remedy, the local Arab decision provided for a political definition that embraced a national, Islamic Syrian viewpoint regarding a solution in Lebanon. Defeat and victory, however, will remain in the realm of theory if the Arab decision is not translated into practical steps.

Following this assessment of the Arab resolutions, a question is raised in an attempt to peer into the coming stages, at the Middle Eastern and the Lebanese levels, in light of the Arab summit resolutions. What are the prospects?

With regard to Arab-Arab relations:

- The summit displayed a great inclination to leave the parochial axial framework for a broad Arab one with a view to disrupting the existing Arab axes and minimizing their political impact as a prelude to their elimination in light of developments and events.
- The summit drew up a map for new balances. Alliances have shifted whereby countries that used to be close have become estranged and those that were alienated have come closer together.

The Syrian-Gulf desire to remove Egypt from the axial framework will be reflected in better Syrian-Egyptian relations. And will diplomatic relations be resumed? This is not expected in the foreseeable future unless significant developments occur in the meantime. Obstructing settlement by making the Shamir plan a basis for settlement brings Syria and 'Arafat closer together without applying this rapprochement to Lebanon because of the special Syrian perception of the roles of the regional parties there. There are signs of a Syrian-Libyan parting of the ways based on the different way these two countries look at Lebanon. The strained Libyan position on the Syrian role in Lebanon may be due to the fact that Syria is blocking Libya's attempts to find an independent place for it on the Lebanese map. On the Syrian-Iraqi level, rapprochement is unlikely at a time when the struggle is at its worst, in Lebanon in particular.

Regarding the Middle East settlement:

- The next stage shall witness American-Israeli pressures on the Arabs and the PLO to induce them to change their position on the Shamir plan, keeping in mind that the relevant Arab decision did not reject the idea of elections in principle but rather imposed conditions (withdrawal, international supervision, inclusion in the comprehensive peace process.) One key area in which such pressures will be exerted is, of course, the intifadah, where Israel may intensify its crackdown.
- The process of categorizing the Arab ranks into moderates and hard-liners is expected to ease, making it easier to draw the new Arab map that would take Syria out of an isolation recently imposed on it and would enhance its regional position.

Regarding the Lebanese crisis:

- The three-member committee is not expected to succeed in finding a solution to the Lebanese crisis, given the fact that the "eastern" side that is clinging to its privileges will reject a true political reform of the Lebanese system.



- Before arriving at the outcome awaiting everyone at the end of the 6-month period, the conflict in Lebanon will shift from the military to the political plane. For so long as the political framework of the Arab committee's action is consistent with the Syrian "national," Islamic position, the western sector has no interest in causing a flareup and the eastern sector wants a truce to collect its strength.

It is reasonable to assume that the three-member committee will succeed in effecting a cease-fire and, given the proper means, will be able to lift the blockades. Such means are contingent upon persuading the Iraqi regime to stop pumping in arms.

What about the American shift? Characterizations such as "shift" or "change" seem to be an overstatement, for the foundations on which the American position on the Lebanese crisis is built remain the same so long as the status quo has not been altered. As for the strong American tone and the visit of O'Connor, whose moves are dictated by American interests and the Vatican's wishes, not to mention Israeli measures (threats, convening the mini-cabinet, air sorties), they are part of an effort to balance the Syrian role, which is preponderant, in the existing Lebanese equation. Moreover, these matters emerged when Syrian threats to break into the eastern area intensified right before and during the summit, as an attempt to curb Syria's fervor at a time when the Syrians wanted to reaffirm their active power in Lebanon, alongside the diplomatic struggle that occurred behind the scenes.

Hence, the present American position is nothing but a continuation of the U.S.'s existing position based on supporting the "eastern area's" stance, particularly in the upcoming stage when the political struggle will grow and the United States is expected to show an interest in playing a role alongside the Syrian one which backs its Lebanese allies.

The reason why the supportive American position was not visible in the previous stage is because the escalatory course Michel 'Awn followed was not compatible with the American tendency to cool down the Lebanese crisis. Now that 'Awn has given in to the idea of cooling down the crisis and stopping the escalation following his failed attempts at internationalization, American will not let its Lebanese "allies" down. Rather, it has embarked on a campaign to establish Michel 'Awn as an effective political entity with whom Syria and the Muslims ought to engage in a dialogue, as the American ambassador put it.

The struggle's shift to the political plane, and the political jostling and vying to establish the political presence that it entails, provides fertile ground for the struggle of powers. These powers hold disparate views on political reform and ways to achieve it, and redefine new axes of conflict differently from the East-West axis that emerged during the cease-fire, whereby divisions are depicted not by parallel but by overlapping lines.

## MOROCCO

### Effective Use of Spain's Credit Line Outlined

45190101 Casablanca LA VIE ECONOMIQUE in French 9 Jun 89 p 22

[Text] In Rabat on 29 June 1988, Morocco and Spain concluded an unprecedented general agreement for economic and financial cooperation. In fact, this agreement, which was initialed in Madrid on 27 May, represents the largest financial commitment ever made by Spain with a foreign partner: 125 billion pesetas (about 9 billion dirhams). It confirms Spain's desire to develop its relations with Morocco in financial, economic, and commercial areas, and it also reflects the desire of the Moroccan authorities to mobilize the resources needed to support the activities of its private sector.

This agreement was endorsed last 11 April by the Spanish Parliament. The various technical aspects have just been finalized by the two countries. A meeting of the various Moroccan commercial banks was convened by Bank Al-Maghrib to discuss the buyers' credit agreements to be concluded with Spanish commercial banks to use these lines of credit.

The Spanish credit is denominated in dollars and amounts to about \$1 billion. Out of this amount, 60 percent will be spent on government projects (approximately \$600 million, or 75 billion pesetas), and 40 percent will go to finance imports of Spanish goods and services (\$400 billion or 50 billion pesetas).

The \$400 million that can be used by the private sector to import Spanish products is broken down as follows:

- Concessional development aid (FAD or Development Assistance Funds) comprises 20 percent. But we still do not know the maturities and rates to be applied for private Moroccan operators;
- Commercial credits on OECD consensus terms for 80 percent of the total.<sup>1</sup> These are medium-term credits to finance up to 80 percent of the value of imports.

### How Will the Funds Be Used?

Three categories of credits were defined by the Moroccan-Spanish agreement on the basis of the use of this 400 million dirham credit line.<sup>2</sup>

1. Credits to finance small businesses, the amount of which will vary between 10 and 150 million pesetas. These are half FAD and half commercial credits that will be used to import the following capital goods: hotel equipment, farm machinery (including tractors), civilian industrial vehicles, commercial and industrial engines and vehicles, CKD for industrial and commercial vehicles, elevators and motors for lifts, machine tools, textile machinery, internal combustion and other engines, electrical telephone equipment, electric motors and generators, data processing equipment, industrial refrigeration equipment, equipment for hospitals, and rolling stock for railways.

To obtain the credits included in this line, importers must subscribe secured bonds payable to the Treasury. Applications to use these credits must be filed with the Bank Al-Maghrib through authorized intermediary banks.

We have been told that the terms of the bonds to be purchased in this context, and specifically the rates and maturities, will be determined shortly and outlined in a circular letter to be sent out as soon as the line of credit is set up.

2. Credit line to finance operations or projects for more than 150 million pesetas.

This line will be used to finance large projects, with a mix of FAD and commercial credits in proportions to be determined by mutual agreement between the Moroccan and Spanish authorities.

A Spanish source gave us examples of projects that could be financed under this line: turnkey factories, agricultural development projects, and projects to reorganize or modernize export firms. Three projects are currently under study: a tannery (for \$4 million), a vegetable cannery, and a 1,500 hectare irrigation project.

A circular letter from the Ministry of Finance outlines the procedure for applying for this line:

a) Applications must be submitted through authorized intermediary banks to the Ministry of Finance;

b) After approval by the Ministry of Finance and the Spanish authorities, the amount of the commercial credit and the conditions for assignment of the FAD credit will be communicated to the interested party, who must make the necessary contacts with the Spanish banks to contract for the commercial part of the credit;

c) Once the agreement in question is concluded, the Ministry of Finance will assign to the interested party the FAD credit against subscription of a bank endorsement by the party.

The circular also indicates that specialized financial agencies interested in using this line of credit to finance operations or projects involving imports of Spanish goods and services are urged to send an application to this effect to the Ministry of Finance.

### 3. Commercial credit lines:

These consist entirely of commercial credits at the OECD consensus rate for financing imports of Spanish goods and services, including fishing boats.

The Finance Ministry's circular stipulates that these credits can be used in the following three ways:

#### a. Direct use by importers:

1. Moroccan importers who wish to apply for these credits are requested to submit their applications to the Ministry of Finance through their authorized intermediaries:

2. After the Finance Ministry gives its approval in principle, the interested party must make contact with a Spanish bank to conclude a credit agreement that must be submitted to this department for authorization prior to final approval.

#### b. Use by authorized intermediary banks and specialized financial agencies.

Authorized intermediaries and the BNDE [National Economic Development Bank?], CNCA [National Bank of Agriculture Credit?] and CH [Real Estate and Hotel Bank] may conclude credit agreements with Spanish financial institutions under this line of credit.

Interested agencies are requested to submit their applications to the Finance Ministry and must take the necessary steps to conclude the credit contracts in question after they receive the department's approval in principle.

These agencies must also submit the proposed contracts to the Finance Ministry for authorization prior to signature.

#### c. Financing boats

Credits authorized under this credit line may be used for the partial financing of purchases of Spanish boats, including fishing boats.

The financing of boats of over 100 TRB [expansion unknown] may also be eligible for benefits under the CARI (Reciprocal Adjustment Credit With Interest) system that provides for the following:

- An interest rate fixed currently at 8 percent a year by Spanish ordinance of 5 March 1987, pertaining to government assistance for export credits;
- A maximum amortization period of 8 years and 6 months, which can run to 10 years in the case of ships used to transport natural gas.

The CARI system can also apply to radical renovations of ships of over 1,000 TRB.

Moroccan ship importers are requested to send their applications to the Ministry of Finance and, after its approval in principle, they must contact their suppliers or Spanish lending banks in order to follow the procedures required by the Spanish authorities for access to the CARI system.

Credit agreements regarding operations financed under this system must be submitted to the Finance Ministry for authorization prior to signature.

### Financing Government Projects

As we indicated earlier, the Spanish line of credit provides funds of about \$600 million (75 billion pesetas) over the period 1989-92 to be used to finance Moroccan Government projects. It is broken down into FAD credits (35 billion pesetas)<sup>1</sup> and OECD consensus rate credits (40 billion pesetas). These credits will go to the following projects: the Mjara dam, the Moroccan Phosphate V and VI units, the Jorf Lasfar thermal power plant, and projects in the telecommunications and transportation sectors, among others.

You will recall that the Moroccan-Spanish agreement of June 1988 includes the following provisions:

- Arrangements to stimulate direct investment in Morocco, including the creation of semipublic corporations, an agreement for the mutual guarantee of investments, and information and training programs.
- A program to develop trade and closer cooperation between banks.
- A program to develop small and medium-sized businesses in Morocco.

For further information, we advise our readers to contact their bank, the Treasury Department, or the trade office of the Spanish Embassy.

### Footnotes

1. The OECD consensus rate is a rate that changes every 6 months and is currently at about 9.65 percent for countries like Morocco.

2. Financing up to 100 percent of the total cost of projects over 20 years with a 10-year grace period and at a rate of 2 percent.

3. Spanish sources indicate that this amount could be increased by 50 percent if there is sufficient demand.

### Government Reports Population, Employment Figures

#### Employment Increase in 1987

45190100 Casablanca LA VIE ECONOMIQUE in French 9 Jun 89 p 10

[Text] The Statistics Department has just published, at a speed on which it should be commended<sup>1</sup>, the initial results of a survey of the active urban population in 1987. These statistics show that urban employment improved somewhat in 1987, since both the volume and rate of unemployment declined, despite the increase in the active population. However, an unemployment problem remains, particularly among young people, because half of the job seekers were less than 24 years old, as has been the case in previous years.

Here are the main results for 1987:

At about 3,370,000 people, the active population (see table) has increased at a rate of approximately 4.9

percent since 1986. In relative terms, active citizens make up about 31.5 percent of the urban population (overall rate of activity); in other words, in the cities nearly 32 people out of 100 are either working or are looking for work in the production of goods and services. The two sexes do not participate equally in the job market. Despite the growing numbers of working women, their rate of activity is only 16 percent, as compared to 47.2 percent for men.

The analytical importance of the overall activity rates is limited, because the denominator includes children (15 years of age and less), who account for nearly 36 percent of the urban population. Thus, if we want to know the degree of participation in the job market of persons 15 years of age and over, the 1987 urban employment survey shows that the specific activity rates are 73.1 percent for men, 23.7 percent for women, and 48 percent for the two sexes.

The dependency rate showing the economic burden expressed demographically is 2.7; in other words, in the cities, every working person was supporting 2.7 persons on average in 1987.

There was a clear increase in the volume of people with jobs during the 1986-87 period. The active population actually employed increased by 176,000 persons between 1986 and 1987, equivalent to a 6.5 percent rate of increase. This rate, which came out to 5.8 percent for men and 8.7 percent for women, clearly shows that the status of urban employment in 1987 improved over what it was in 1986.

#### Unemployment Level and Trends During the 1986-87 Period

In 1987, the ongoing survey of the active urban population counted nearly 481,000 unemployed in the cities, on average. This figure reflects a decrease of 3.6 percent in the volume of unemployed people since 1986. However, when broken down by sex, the decrease reported for women is greater than for men, at 9.4 percent and 0.5 percent, respectively.

In relative terms, about 14.7 percent of the active population 15 years or older were unemployed (unemployment rate), a rate considerably lower than the 15.9 percent rate recorded in 1986 (a drop of 7.5 percent).

Despite the fact that the unemployed population is made up primarily of men (nearly 68.3 percent), unemployment affects women somewhat more than men, since the unemployment rates for 1987 are 18.5 percent for women and 13.4 percent for men. The decrease in the unemployment rate over the 1986-87 period is more accentuated among women (14 percent) than among men (5 percent).

One of the constant features of the situation on the job market in the cities is unemployment among youth. In fact, unemployment is particularly high among persons 15 to 24 years of age, with about 226,000 people falling

into this category in 1987, or approximately 47 percent of the total jobless population. For this age bracket, the unemployment rate hovered around 28.4 percent in 1987, as compared to 31.6 percent in 1986. Large numbers of these young people are looking for their first job (about 60 percent), as compared to 43.7 percent for the entire jobless population in 1987. Moreover, about 65 percent of those seeking jobs for the first time are young people.

Unemployment among young people varies considerably depending on training, the level of education, and the degrees obtained. Young people with degrees are currently encountering difficulties in finding jobs. Paradoxically, the top students from institutes of higher learning are also having trouble gaining access to the job market. The unemployment rate for this category of active youth is 27.1 percent.

When unemployment among youth is analyzed on the basis of level of education, it appears that the unemployment rate increases with the level of education. The lowest rate of unemployment is found among uneducated young people (12.6 percent). In contrast, this rate is 25.1 percent for young people who have attended primary school, 49.4 percent for youth who completed secondary school, and 51.1 percent for young people who have a higher education.

Another disparity is found in the geographical distribution of unemployment. The eastern and central parts of the country are where unemployment is highest. Unemployment rates for these two regions are 19.8 and 16.1 percent, respectively. The central-northern region is the least affected, with an unemployment rate estimated at around 11.6 percent.

#### Urban Population Trends by Employment and Sex

Type of Activity	1986	1987	Absolute Change	Percentage Change
Active Population				
Male	2,387,471	2,504,591	117,120	+4.9
Female	824,483	865,492	41,009	+5.0
Total	3,211,954	3,370,083	158,129	+4.9
Employed Active Population				
Male	2,056,626	2,175,597	118,971	+5.8
Female	655,955	712,876	56,921	+8.7
Total	2,712,581	2,888,473	175,892	+6.5
Unemployed Population				
Male	330,845	328,994	-1,851	-0.6
Female	168,528	152,616	-15,912	-9.4
Total	499,373	481,610	-17,763	-3.6
Inactive Population				
Male	2,720,619	2,800,950	80,301	+3.0
Female	4,344,532	4,525,613	181,081	+4.2
Total	7,065,181	7,326,563	261,412	+3.7
Total Population				
Male	5,108,120	5,305,541	197,421	+3.9
Female	5,169,015	5,391,105	222,090	+4.3
Total	10,277,135	10,696,646	419,515	+4.1

#### Unemployment Rate by Age and Education (Percentage)

Education	Age			Total
	15-24	25-44	Over 45	
Did not complete primary school	20.1	10.6	6.0	11.8
Primary school diploma	38.9	11.7	5.1	18.9
Secondary school diploma	60.1	16.3	2.1	25.8
Baccalaureate or equivalent degree	64.3	22.4	1.0	27.6
Higher degree	27.1	6.6	0.5	6.2
Medium-level training	49.7	10.9	0.6	14.1
Professional degree or certification	45.3	21.0	2.8	27.4
Total	28.4	11.9	5.6	14.7



## Footnote

1. The results of surveys on the job situation in urban areas for 1984, 1985, 1986, and 1987, and in rural areas for 1985 and 1986 were all published in one year.

## Statistics for 1984-87

45190100 Casablanca *LA VIE ECONOMIQUE* in French 9 Jun 89 p 10

[Text] In our previous issue we published a table tracing urban employment trends for 1984, 1985, and 1986. The figures for unemployment were overall rates.

Here are the urban employment trends between 1984 and 1987. Unemployment rates were computed for the active population 15 years of age and older.

	1984	1985	1986	1987
Active population	2,825,037	3,004,679	3,211,954	3,370,083
Activity rate (in relation to total population)	29.7%	30.5%	31.3%	31.5%
Unemployed population	518,569	405,895	499,373	481,610
Rate of unemployment	18.8%	13.9%	15.9%	14.7%
Employed active population	2,306,468	2,598,784	2,712,581	2,888,473

Source: Department of Statistics

## Background of Study

45190100 Casablanca *LA VIE ECONOMIQUE* 9 Jun 89 p 10

[Text] It is useful to recall once again a few concepts used in this study of the employment situation.

The population is composed of two groups: the active population and the inactive population.

The inactive population, which is the largest group, is made up of persons who are neither working nor seeking work, including housewives, primary and secondary school children, high school and college students, retired persons, persons of independent means, disabled and infirm persons, the elderly, and young people of less than 15 years of age.

The active population includes persons employed in a trade or profession in the traditional sense of the term, persons in business for themselves, and persons neither employed in a business nor conducting their own productive activities, but seeking employment.

The rate of activity is the ratio between the active population and the total population.

The unemployment rate is the ratio between the unemployed active population and the active population 15 years of age and older. At times the concepts of overall unemployment rate and active population (including all age groups) are also used.

## Chamber of Representatives Reports on New Tax Law

45190108 Casablanca *LE MATIN DU SAHARA* in French 21 Jun 89 p 2

[Text] On Monday afternoon, the Chamber of Representatives adopted the bill relative to the general income tax (IGR) by a vote of 103 in favor, 46 opposed, and 3 abstaining.

During the session, which was presided over by the deputy speaker of the Chamber of Representatives, Jalal Essaid, the bill relative to the IGR was voted on article by article from chapter 84 to chapter 119, with the amendments presented by the opposition being taken into account.

Several representatives commented on chapter 109 of the bill, and that chapter was finally deleted and altered by an amendment proposed by the majority. Deputy Abdelhaq Tazi, leader of the Istiqlal group (opposition), pointed out that the chapter in question, which deals with measures for combating tax evasion, was called for by the framework law and said that as a result, its deletion by the government had "created a legal vacuum."

While supporting the need to combat tax evasion, Deputy Tahar Chaker of the democratic group (the PND [National Democratic Party]—majority), responded to Tazi by saying that "objective criteria" would have to be established in order to take steps in that direction.

For his part, the minister of finance expressed satisfaction that the law had been approved, saying that the tax reflects an overall concept of the tax system, assigns basic importance to the economic and social dimension, and is far from representing a restrictive financial approach.

The positive aspect of this reform, he said, resides in the elimination of inequalities with respect to taxes and in the lightening of the tax burden. He also announced that his ministry intended to launch a vast informational campaign to inform taxpayers of their rights and obligations, and he called on the groups in Parliament to participate actively in those efforts.

Fathallah Oualalou, chairman of the Socialist Union of Popular Forces group (opposition), explained that his group had voted against the government bill because it "establishes social disparities," since "evaluation of the bill should not be dissociated from the reality of the overall tax system," and he added that the government had not "undertaken any informational campaign on the subject."

Speaking on behalf of the Constitutional Union (UC—majority), Mohamed Masmoudi explained the deletion of chapter 109 by the fact that combating tax evasion should be done "legally and in accordance with the law and objectivity." Lastly, Deputy Alaoui Hafidi, chairman of the National Rally of Independents (RNI) group (majority), emphasized the satisfaction felt by the groups in the majority following adoption of the bill, since they are "aware of the need for this text, and following the introduction of amendments aimed at reforming it."

The Chamber of Representatives adopted the bill relative to the general income tax on Monday afternoon, and after the bill was adopted, Minister of Finance Mohamed Berrada delivered the following speech:

"Mr Chairman,

"Honorable Ministers,

"Honorable Representatives,

"I am returning to this rostrum a second time following the approval by your honorable assembly of the bill relative to the general income tax.

"Through this vote, we have successfully completed the joint efforts expended both by the Committee on Finance, Planning, and Regional Development and by you in this plenary debate. Those efforts deserve to be emphasized.

"We can be pleased with the adoption of this bill, which has been enriched by your constructive amendments. The institution of a general tax on the total income of individuals makes the national tax system more coherent within the framework of an overall concept whose objectives are essentially social and economic and that is far removed from any financial preoccupation with an

immediate payback, the reason being that this bill does not create a new tax or a supplementary tax but is to be seen primarily as a structural reform aimed at substituting a single tax for the seven specific taxes now in effect.

"The positive aspects of this third component of the tax reform are not limited solely to a simple substitution. They are illustrated even more clearly by the following:

- "The elimination of distortions in the way the tax burden is distributed among the citizens.
- "The simplification of taxpayer guarantees.
- "A lightening of the tax burden.

"As regards the lightening of the tax burden, it should be noted that this is taking the form of basic tax abatements, lower rates, and deductions of an economic and social character, a fact that unquestionably confirms the economic and social impact of the bill as adopted.

"In this connection, the government of His Majesty the King confirms without a shadow of a doubt that every taxpayer having only one source of income will receive a tax cut, and in general, this will increase the disposable income of the citizens, thus increasing their purchasing power and their ability to save and invest.

"By that very fact, the bill will contribute to our economy's recovery and expansion.

"The debates by your honorable assembly have been distinguished by their seriousness, the steadfast effort to pursue the general interest, and the meticulousness—indeed, the intensity—that has been shown. Moreover, the sizable number of amendments presented by the various parliamentary groups and political parties demonstrates the interest shown in this bill, which was presented by the government to complete the tax reform called for in the framework law passed by your honorable assembly in 1982.

"But the surprising thing is that certain daily newspapers are claiming that the government rejected all the amendments presented by opposition groups. On that subject, I would like to make the following points clear:

"During the work by the Committee on Finance, Planning, and Regional Development, a large number of amendments were presented both by the majority and by the opposition. Of the 49 amendments that were accepted, 32 were proposed by the majority groups and 17 by the opposition groups.

"If we look at the committee's report, we find that the opposition voted against the articles amended by the government on the basis of amendments that were presented by the opposition itself and unanimously approved.

"Also, in the plenary session, the opposition groups limited themselves to presenting those amendments that had not been adopted in committee.

"While the government has demonstrated its ability to listen to and accept certain amendments presented by

the opposition, it hopes that the bills it submits will not be rejected by the opposition as a matter of principle and for the sole reason that they were submitted by the government.

"In any case, we feel that the bill as passed was approved by your honorable assembly not just because the government accepted the proposed amendments but because it reflects the general will that you have expressed within the framework of the democratic institutions.

"Mr Chairman,

"Honorable Representatives,

"The minister of finance intends to launch a vast informational campaign to educate the public and make these new provisions known. It will be along the same lines as the campaigns in connection with the VAT [value-added tax] and the corporation tax. This ministry will draw up and publish the implementing circulars.

"And on this occasion, we invite the political groups and professional organizations to support these efforts aimed at informing the citizens and making them more aware of their rights and obligations.

"I also take this opportunity to thank, once again, all the honorable representatives who have participated in finalizing this bill, thus contributing to the enrichment of our country's legal edifice.

"We ask the Almighty to guide us in our efforts on behalf of the prestige, prosperity, and greatness of our country under the aegis of His Majesty King Hassan II. May God glorify him."

#### **Transport Minister Emphasizes 1988 Progress**

45190111a Casablanca LE MATIN DU SAHARA in French 13 Jul 89 p 7

[Article: "CTM [Moroccan Transport Company]/LN: Good Road Stability in 1988"]

[Text] Among the first results of reorganization: improved financial situation.

The year 1988 can be considered as the last stage in the recovery and stabilization plan launched by CTM/LN, the minister of transport announced at a CTM/LN board meeting.

For instance, the minister pointed out, during the year CTM/LN completed its fleet-renewal program; it acquired 30 new buses, including 18 Moumtaz, and ordered 64 more 1st-class and Moumtaz buses.

Mr Bouamoud indicated that these buses undergo rational and systematic preventive maintenance in workshops equipped with modern specialized tools; this will keep the fleet in working order and guarantee passenger safety and security.

During 1988, he added, the company worked to develop its national network, opening new lines from Casablanca to Marrakech, Beni-Mellal and Safi, from Fes to Tangier and from Tetouan to Al Hoceima.

Mr Bouamoud also praised the efforts made by the company to expand its training courses, and he indicated that 1988 had seen the beginning of a new type of cooperation between CTM/LN and the Vocational Training and Labor Promotion Bureau. In this connection, a plan was worked out for the training of maintenance personnel and bus drivers.

As far as labor relations are concerned, he pointed out, 1988 was marked by the signature of a new collective bargaining agreement that better reflects the demands placed on management and the aspirations of the personnel, and by the company's adhesion to the Interprofessional Moroccan Retirement Fund.

All these efforts and measures, he went on, enabled the company to achieve satisfactory results. For instance, the number of passengers increased substantially, and the company's receipts from this activity increased by 32 percent compared with 1987.

As far as the international network is concerned, Mr Bouamoud stressed the development of traffic on the regular Morocco-France and Morocco-Belgium lines, which resulted in a 29-percent increase in receipts.

Concerning the financial results of the company, the minister pointed out that the company was able to repay all its debts to the National Bank for Economic Development and to improve its overall receipts by 25 percent thus achieving an operating profit of some 23 million dirhams, 11.9 percent more than in 1987.

He also praised the efforts made by Moroccan, Algerian, and Tunisian bus companies to create regular road links between the three countries and he expressed the wish to associate two friendly countries, Mauritania and Libya, to this effort so that all of the Maghreb people could be served by this sector.

#### **Public Works Minister Discusses New Projects**

45190106 Casablanca LA VIE ECONOMIQUE in French 30 Jun 89 pp 10-12

[Interview with Mohamed Kabbaj, minister of public works, professional training and managerial training, by Nasreddine El Afrit; date and place not given; first paragraph is publisher's introduction]

[Text] 1989 is an unusual year for the ministry of public works, with the institution of a new financing method for the maintenance and extension of the road system and the preparation of the construction site for what will be the giant of Moroccan dams at Mjara, the economic impact of which will be colossal, to put it simply.

Mr Mohamed Kabbaj, minister of public works, professional training and managerial training, kindly consented to answer our questions on these two subjects.

[LA VIE ECONOMIQUE] By awarding the license for the superhighway to the Moroccan National Company of Highways, is our country initiating a new approach to the financing of infrastructure?

[Kabbaj] We do, in fact, have a new approach, but it did not start with the superhighway contract. What the public is seeing here today is merely one application of a policy that has already affected similar projects.

The first major experience in this field was with ODEP, the Office of Port Operations. There is no need to detail the state the ports were in, and the long waits and other consequences it had for users. The idea was to create an office of port operations so that taxes paid by the users would go directly to the entity providing the service. In return, the entity is obligated to provide quality service. Without dwelling on the fundamental transformation that resulted in our ports, they are now better maintained and operated with roughly the same tax money.

That is roughly the concept we have tried to apply in other fields—develop a service, charge a fee for it, and use the revenues to improve the service. The approach was applied to roads in two ways: through the creation of the Road Fund and the superhighway contract.

Until recently, the state budget was the only source of financing for the road sector, which put a brake on responses to the sector's immense needs. It should be explained that the Moroccan road sector has suffered from a severe limitation in budget resources over the past 10 years. In 1986, the funds available for new construction were worth only 10 percent of their 1976 value in real terms.

As for the construction of high-capacity roads (highways), a quick analysis shows that between 1,000 and 1,500 kilometers of two-lane roadway will become saturated by the year 2000. It does not take long to realize that if we want to carry out the necessary improvements in the future, we exceed the possibilities of conventional budgetary financing. The only possibility outside the budget is to collect a direct or indirect user fee.

In this way, we will begin increasing our financial resources in 1989 and equitably so, since the users of the infrastructure involved will be the only ones affected. In return, the user will have the right to demand a better service, just as, out of a desire for safer, smoother and faster roads, he can demand new highways.

#### **Tolls Cannot Cover Full Construction Costs**

[LA VIE ECONOMIQUE] In the future, could this approach be applied in other ways, in addition to port operation and roads?

[Kabbaj] We hope so. We are thinking of water supply, for example. Morocco produces a great deal of water in its dams and some users (farmers) pay for irrigation water. Let's say that water costs 10 centimes per cubic meter or 1,000 liters. Given the fact that Morocco produces several billion cubic meters every year, we could generate very large amounts of revenue that could be used to cover not only the cost of operating these facilities, but of expanding and replacing them as well, in the future.

I am not saying that we will apply this approach to dams. At present, we do not have any specific plans in this area.

[LA VIE ECONOMIQUE] To come back to the superhighway, how did you solve the problem of finding the necessary funds to build the new segments?

[Kabbaj] It is true that toll revenues cannot cover all the construction costs. I remind you that we first issued an invitation to tender and the fact that we did not receive any valid proposals can be explained by the simple reason that the level of traffic, by international standards, is insufficient to make operation and extension of the superhighway totally self-financing.

We believe that with a company that is both private in nature and representative of a certain commitment by the state, it should be possible to find financing on extremely favorable terms, better than those customarily offered on the international market.

#### **A Large Share for Moroccan Companies**

[LA VIE ECONOMIQUE] Generally speaking, soft loans are involved. That would mean a very limited share for Moroccan companies.

[Kabbaj] I do not believe so. Experience has shown us that even when an infrastructure project of this scale is handled through a foreign company, a very sizable share of work is automatically performed by Moroccan companies. Take the Agadir port as an example. More than 10 Moroccan companies took part in the project, for a combined share of at least 40 percent, even though the work was handled through a foreign company. Public works projects are unique in that subcontractors are always involved, without mentioning the personnel hired.

[LA VIE ECONOMIQUE] Which countries will provide the financing?

[Kabbaj] We have not chosen any specific countries because we have not issued an invitation to tender, but I can tell you that the Spanish officials I recently contacted in Madrid have expressed interest in the project. Other countries have reacted in the same way. We created the company only after we knew that there were favorable financing possibilities.

[LA VIE ECONOMIQUE] It is all well and good to build new superhighways, but the main roads are in need of improvements....



[Kabbaj] That is precisely the purpose of the Road Fund. It was created so that we can markedly improve the road system over the next 5 years.

For the main road between Casablanca and Rabat, which parallels the superhighway, improvements have been introduced. It is certain that the stretches requiring improvement will be taken care of, but it will never offer service comparable to that of the superhighway.

#### **Passes and Contracts To Be Offered**

[LA VIE ECONOMIQUE] You probably already have an idea of the fee that will be charged.

[Kabbaj] We have made surveys to determine what users are able to pay. A toll of between 7 and 10 dirhams seems perfectly acceptable. In any case, we will start out at a modest level.

[LA VIE ECONOMIQUE] Do you plan to waive the toll for groups traveling by public transportation?

[Kabbaj] We will offer them or any user who regularly takes the superhighway the possibility of buying a pass at a special rate. Contracts, agreements, or various other formulas are conceivable.

#### **Tolls As of August 1990**

[LA VIE ECONOMIQUE] When will the toll become effective?

[Kabbaj] A toll will be charged on the Casablanca-Rabat segment starting in August 1990, providing that the toll booths and other improvements are completed by then. The construction work on the Rabat-Kenitra segment should begin next year and the segment should be open for use in 1992-1993. The other segments will come shortly thereafter.

[LA VIE ECONOMIQUE] What facilities are planned for the superhighway?

[Kabbaj] For operating the superhighway between Casablanca and Rabat, there are plans for:

- two toll barriers across lanes, one between the Mohammedia West and East interchanges and the other between the Bouznika and Oued Cherrat interchanges;
- two mid-ramp toll barriers, one at the Mohammedia East interchange and another at the Skhirat interchange;
- a maintenance center near Bouznika, practically in the middle of the highway;
- rests areas and service areas; and
- an emergency telephone system.

On the Rabat-Kenitra segment, there are plans for one barrier across lanes and a midramp toll barrier on the Kenitra-South interchange, an emergency telephone system and a maintenance center.

#### **Spain Builds 16,000 Kilometers of Highway**

[LA VIE ECONOMIQUE] The studies have probably provided a estimate of the economic impact of extending the highway....

[Kabbaj] The impact of the Casablanca-Rabat link is already clearly visible.

The superhighway linking Casablanca, Rabat, Kenitra, and Tangiers will be one of the main axes of the national road system. It is part of the link between Europe and Africa.

It is possible to measure the future impact on the user in general, and more specifically on Moroccan guest workers in foreign countries and tourists arriving in Morocco via the European road system that is being entirely converted into superhighways. Spain is in the process of building 16,000 kilometers of superhighway and developing its entire southern region.

Another advantage to the future superhighway serving Tangiers is that it will pass along the coast, thereby serving areas that have been isolated and underexploited. With the superhighway, these areas will see projects in tourism and industry start up.

In general, it is known that superhighways bring savings in transportation costs and greater safety. The segment planned between Rabat and Kenitra offers an economic internal rate of return of 11.5 percent, from the community's standpoint.

If the superhighway were not built, there would be a notable deterioration in traffic conditions between the two cities along the RP 2, which would be forced to carry more traffic than it was designed to.

[LA VIE ECONOMIQUE] You seem to have an exact idea of where the Rabat-Kenitra-Tangiers superhighway will be located.

[Kabbaj] Of course. The studies will be completed by the end of the year.

#### **Good Progress on the Mjara Project**

[LA VIE ECONOMIQUE] What is the status of the plan to build a dam at Mjara?

[Kabbaj] It is well advanced. We have been working on the plan for several years because it is a colossal project. We had to come up with nearly 1 billion dollars, taking into account the hydro-electric plant and all the foreseeable cost revisions. Moreover, the project does not figure in the National Plan, which means that the national budget cannot contribute very much to it.

The project was complicated by the fact that we had to come up with a very large amount of funding covering nearly the total cost, not through commercial loans but through preferential lines of credit spanning 20 or 30 years, at very low rates of about 4 percent.

Today, we can say that we have found the partners we need: the Soviet Union, Italy, Spain, Turkey, the Arab Economic and Social Development Fund, the Kuwaiti Fund for Arab Economic Development, and the Saudi Development Fund.

We have already signed a financing agreement with the USSR and we will sign agreements with other countries in the coming weeks.

Preparation of the construction site will begin before the end of the year and the start-up of construction on the dam is planned for next year. The dam is expected to be completed in 1997.

A fact that should be pointed out is that some lines of credit are reimbursable in Moroccan products, citrus fruit in particular.

[LA VIE ECONOMIQUE] There again, isn't there a risk that Moroccan companies will be given a limited share?

[Kabbaj] Not at all. They will have a considerable share given the size of the project. It should be borne in mind that there is a large amount of construction to be performed around the dam: the road system will have to be rebuilt, the upstream area will need to be rehabilitated, and so forth, because His Majesty the King insists that there be a balance between the upstream and downstream areas. There is no intention of building a dam to benefit the downstream area alone. Some 15 medium-sized dams and 300 small dams will therefore be built upstream of Mjara.

[LA VIE ECONOMIQUE] The impact of the Mjara dam will be considerable. Can you say a few words about it?

[Kabbaj] When he opened the third session of the Superior Council on Water in May 1988, His Majesty the King issued His Royal instructions making Mjara an integrated project with local, regional, and national dimensions:

- At the local level, the 15 medium-sized dams and 300 small hillside dams to be built upstream will have an overall capacity of 340 million cubic meters, to be used, among other uses, to irrigate the perimeter that borders 44 rural towns with a total of 1 million inhabitants in the provinces of Taounate, Chefchaouen, Al Hoceima, Taza, and Sidi Kacem.
- The regional dimension is that the Mjara dam, with its capacity of 3.8 billion cubic meters, will help protect the Gharb plain against flooding, irrigate about 100,000 hectares in the Gharb and produce 390 Gwh [gigawatts] of hydro-electric power a year.
- The national dimension is that the dam will make it possible to transfer more than 800 million cubic meters of water a year in regulated flows to other basins and to supply drinking water to the region from Kenitra to El Jadida.

### 350,000 Metric Tons of Sugar Yearly

When improvements are completed, the project will make it possible to produce 350,000 metric tons of sugar a year, a third of the national goal for the year 2000. It will also enhance milk production, satisfying 30 percent of the country's needs in the end. Rice production will be increased to 100,000 metric tons a year, which surpasses the country's needs. The rate of return on the dam exceeds 10 percent, which is a considerable amount.

[LA VIE ECONOMIQUE] What is the status of the national program of dams?

[Kabbaj] In keeping with the Royal directives of His Majesty the King to build one large dam every year, four large structures are now in the process of being built:

- the Ait Youb-Matmata complex on the Haut Sebou. The dam will be completed in late 1989 and the [gallery] in late 1990;
- the Aoulouz dam on the Souss, which will be completed in 1990;
- the Smir dam on the Oued Smir, where construction will end in 1991; and
- the backup dam on the Sebou, which will be completed in early 1991.

Construction is scheduled to start on the Hachef dam, on the Oued Hachef, in the course of the next year.

Lastly, there is a pool of projects that have been studied. We can draw from this pool whenever the necessary financing is ready.

### Energy Minister Inaugurates Three Gas Turbines in Mohamedia

45190112b Casablanca LE MATIN DU SAHARA in French 16 Jul 89 p 3

[Article: "Ministerial Delegation, Thursday, in Mohamedia: Ground-Breaking Ceremony for Three Gas Turbines Designed To Cover Electric Power Needs"]

[Text] On Youth Day, which this year marked the 60th birthday of His Majesty King Hassan II, several social and economic projects were launched or completed in the various provinces and prefectures of the Kingdom.

In this context, a ministerial delegation consisting of Messrs Mohamed Fettah, minister of energy and mines, and Mohamed Labied, minister of handicraft and social affairs, accompanied by the governor of the Mohammedia-Zenata prefecture and by the British and Italian Ambassadors to Morocco, attended the ground-breaking ceremony for three gas turbines last Thursday at the thermal power station of Mohammedia; these turbines are designed to meet the increasing demand for electric power, especially during dry years.

The turbines, with a total capacity of 100 megawatts, are characterized by their low operating cost: they can run on fuel that costs less than liquid gas.

The fuel for the turbines will be stored in two of the heat power plant tanks, having a capacity of 30,000 m<sup>3</sup> each.

The two ministers also inaugurated a refinery: part of its production will be used to meet the country's fuel requirements, the rest will be exported. The project, which will produce fuels, motor oils, and industrial oils will extend over 6,000 square meters and will be equipped to produce 6,000 tons per year in a first stage, and 15,000 tons later on.

#### **New Bus Station in Kenitra**

In addition, Messrs Mohamed Kabbaj, minister of public works, vocational training and professional training, and Abderrahmane Boufettas, minister of housing, accompanied by the governor of the Sale prefecture, laid the foundation stone for a housing and commercial project in the "B" sector of Hay Arrahma in Sale. This project will include 208 apartments and 56 shops. The two ministers also presided over groundbreaking ceremonies for a commercial center, the Hay Arrahma expansion project, a 100-shop commercial center project in Hay Moulay Ismail, and the "Al Madarate" project in Hay Salam; the latter will consist of 149 apartments, 149 shops, and 25 buildings.

The two ministers then inaugurated the new bus station, which can accommodate 345 buses. In the Yacoub Al Mansour district of Rabat, the two ministers, accompanied by the governor of Rabat-Sale, laid the foundation stones for the construction of a housing project consisting of 100 apartments and 47 shops, and the housing project to be built for the inhabitants of the Douar El Graa shantytown.

In the town of Kenitra, seat of the province, Mr Abderrahmane Boufettas, minister of housing, examined various plans concerning the new slum-control project. This project will extend over 406 hectares.

In the town of Sidi Yahia, Mr Abderrahmane Boufettas laid the foundation stone for the reorganization of the shantytowns over 188 hectares, especially in "Hay Sakinia" where the "Al Wafa" project will house many of the inhabitants of souk Sebt, and at the "Haddada" and "Al Maghrib Al Arabi" developments that include 1167 and 3177 lots, respectively.

At Bir-Rami, the foundation stone was laid for the second instalment of the industrial zone, which will cover 40 hectares.

#### **Solar, Water Energy Reach Rural Area**

45190113 Casablanca LE MATIN DU SAHARA in French 16 Jul 89 p 3

[Article: "Solar Energy, Water Pumping, and Biomass: The Development of Renewable Energies Will Meet Rural Needs"]

[Text] Morocco counts 34 outlying villages of difficult access having less than 1,800 inhabitants. Less than 1.8

million inhabitants of rural areas (i.e. 12 percent) enjoy traditional electric power supply.

According to the MOROCCAN WATER MAGAZINE (special issue on "The Drinking Water Supply of Rural Populations"), renewable energies can play an important part in the development of rural areas.

According to the same source, the 1988-1992 master plan for economic and social development stresses the need to develop renewable energies both at research and at user's level. These energies (solar and wind energy, biogas) are relatively abundant on our territory and could help meet the energy needs of rural populations.

Morocco is located in a geographic zone with a strong solar energy potential.

Indeed, averages range from 2,800 hours of sunshine per year in the less favored areas to more than 3,400 hours per year in the sunnier regions.

#### **5 Solar Zones**

Yet, the solar energy that reaches the ground has characteristics that distinguish it from traditional energies. On the one hand, it is not evenly distributed and, on the other hand, it varies widely with the latitude, the season and the inclination of the receiving surface.

The Moroccan territory can be divided into five solar zones. The solar energy received by 1 m<sup>2</sup> of ground area varies from 4.7 kWh per day in the north to 5.6 kWh per day in the south.

When it comes to solar energy, we must distinguish between:

- photovoltaic solar energy, i.e., solar energy transformed into electricity by means of photovoltaic panels;
- thermal solar energy, i.e., solar energy converted into heat energy by means of solar panels.

Photovoltaic conversion could play an important part in the social and economic development of rural areas. For instance, it could meet modest energy needs (e.g., for pumping or electric power supply), while thermal solar energy could help reduce wood consumption not only in cities but also in rural areas.

Another renewable energy resource used in Morocco is wind energy, which has been used for a very long time. Actually, wind energy has been used for several years to pump water, to provide mechanical force (multiblade windmill) and, more recently, to produce electricity (wind-operated electric generators).

This energy was first used in the 1930's, when multiblade windmills were imported and used in rural areas to pump water for the people and the livestock.

Investigations made by the CDER (Center for the Development of Renewable Energies) and other organizations have shown that there are now nearly 2,000 multiblade

windmills in outlying areas. But multiblade windmills used for pumping have played an important part in the Moroccan rural economy.

The CDER examines the potential of wind energy and its role in Morocco in a new light, taking into account the latest progress of science and technology. The perception is that the use of windmills should be revived, with special emphasis on preventive maintenance, the introduction of improved technologies and the implementation of improved equipment design and dimensioning methods. Moreover, the use of wind-actuated electric generators for pumping, lighting, telecommunications, and electricity production offers promising prospects that will increasingly be geared to the rural world, one of the priorities of the current orientation plan.

We should point out that Morocco has a considerable wind-energy potential. Average wind velocities exceed 5.3 m/s [millisecond?] over 90 percent of the territory. Also, in several regions wind velocities range from 5.5 to 8.3 m/s.

#### Biomass

In this respect, too, Morocco possesses considerable resources. The energy potential of biomass resources represents about 10-15 percent of the country's total primary energy consumption.

The biomass stores solar energy in plants through photosynthesis. After transformation (combustion, fermentation or thermochemistry), the biomass produces energy.

The forest and agricultural biomass represents a considerable energy potential; the use of the forest biomass is well known: wood and coal are ancient sources of energy. More recently, the biomass (animal and plant wastes) has been used to produce biogas through waste fermentation in a digester or fermentation equipment. Biogas is usually composed of methane (65 percent) and carbon dioxide; it is used for household lighting and cooking.

Biogas can also be used to run an engine or an electric generator.

In fact, the biomass has represented and still represents a basic resource to meet the energy needs of the rural world; yet, haphazard use of this resource has led to serious problems (e.g., deforestation).

In the solar energy sector, the CDER has completed several projects in rural areas. We should mention:

- a solar pump in Ben Oukil, province of Oujda;
- a solar pump in Douar N'Zoula, Fom Zguid circle, province of Tata;
- a solar pump in Douar Gueddara, province of Ouarzazate;
- a solar pump for irrigation, at the regional center for agricultural coordination and training, province of Taroudant (CRAFA);

- a solar pump for irrigation at the Tercio forest site, province of Laayoune;
- a solar pump in Douar Assais, Taliouine circle, province of Taroudant;
- a solar refrigerator at the Sidi Moussa clinic, Ourika road, province of Marrakech;
- an electric power generator to provide lighting to the communities of Sidi Moussa (province of Marrakech) and Beni Oukil (province of Oujda);
- electric power supply to Souk Larbaa, Saheg and the Tarsouad community, province of Tiznit;
- pumping and electric power supply for Douar Dbibzat, province of Kelaa Sraghna.

As far as wind energy is concerned, the CDER, in collaboration with the private sector, has installed about 10 multiblade windmills in various villages of the province of Essaouira, to pump drinking and irrigation water; a 10-kW wind-actuated electric generator was installed in the community of Sidi Bounouar, province of Essaouira, for pumping and lighting.

The CDER has also completed a multiblade windmill rehabilitation program in the province of Agadir.

Concerning the biomass, and in particular biogas production, several agricultural farms are equipped with small Chinese-type digesters. The biogas produced is used for cooking and lighting. Another Chinese-type digester is installed at a farm in the Marrakech area. Finally, the CDER is building another medium-size digester at the Marrakech SODEA [Agricultural Development Company]; it will provide gas for cooking and to run a water-pump motor.

#### Officials Preside Over Project Start-Ups in Boulemane

45190112a Casablanca LE MATIN DU SAHARA in French 16 Jul 89 p 3

[Article by Abou Nizar: "The P&T [Post and Telecommunications] Minister Inaugurates Projects in the Province of Boulemane"]

[Text] In the province of Boulemane last Wednesday, on Youth Day, the minister of P&T, Mr Mohand Laenser, accompanied by the Boulemane governor, Mr Bouchaib Zekkouri, presided over ceremonies marking the inauguration of several planned or completed projects.

The minister thus went to the Guigou center where, among a jubilant crowd, he launched the first installment of the Ait-Hamza-Guigou area development project that will irrigate about 3,000 hectares at a cost of 550 million centimes.

He then laid the foundation stone of the annex to the Boulemane community house, in the Guigou center; the project will cost 30 million centimes.

After that, the minister of P&T, accompanied by the governor, went to the Boulemane center where, among



an enthusiastic crowd, he inaugurated a cultural center, the construction of which has cost 110 million centimes, and the automated terminal that will process postal money orders, which has cost 5.26 million centimes.

The minister went on [as published] slaughterhouse that will require a budget of some 10 million centimes.

Mr Mohand Laenser and Mr Bouchaib Zekkouri then went to the Immouzer Marmoucha center where, in a festive atmosphere, they inaugurated a youth center (20 million centimes) and launched the construction of the center roadways (12 million centimes).

Before that, at the Anjil center, the governor, Mr Bouchaib Zekkouri, presided over the ground-breaking ceremony for the construction of the future community house (28 million centimes).

### **BCM Identifies Development Projects With PACA Region**

4519011b Casablanca LE MATIN DU SAHARA in French 13 Jul 89 p 7

[Article: "Foreign Trade: Looking Toward the PACA [Provence-Alps-Cote d'Azur-Corsica] Region"]

[Text] The third most important French economic region offers many possibilities of trade with Morocco.

On 21-22 June 1989, the "Export Club" of the Moroccan Commercial Bank (BCM), acting jointly with the Mediterranean Deposits Bank, organized a mission to host businessmen from the PACA region.

The event was designed to strengthen commercial and industrial exchanges between Morocco and the southeast of France.

The PACA region, the third most important French economic region is Europe's window on the Mediterranean. It participates very actively in French foreign trade: 7 percent of French imports, 5 percent of French exports.

### **Economic Pole**

Today, the region is seen as an economic and technological pole, and it is also becoming "an obligatory transit area" in North-South relations.

For this region, Morocco represents a potential partner for various economic activities and a fulcrum for the development of exchanges with the Maghreb, Africa and the Arab-Muslim world.

To take advantage of these opportunities, the PACA delegation consisted of industrial and commercial companies of international stature operating in various sectors—agriculture, industry, trade and services (engineering and technology transfer)—and desirous to enter into partnerships in Morocco.

The opening session, organized on 21 June 1989 at the Bank headquarters, was therefore devoted to a presentation of the conditions prevailing in recent years and to the incentives and opportunities offered to foreign investors.

### **Lines of Complementarity**

Emphasis was also placed on the lines of PACA/Morocco complementarity from the point of view of the European single market of 1993, in which Morocco is expected to intensify its role as a hub oriented toward the south, due to the many assets it offers at Maghrebine and African level.

Nearly 70 business meetings were organized by the "Export Club" for the PACA delegation. These meetings proved very profitable and resulted in purchasing and sales agreements as well as representation, subcontracting, and technical cooperation agreements.

Similarly, very thorough proposals were made by both sides for the creation of joint companies. For instance, planned partnerships were identified in the following sectors: agri-food (spices and aromatics), glass industry, leather garments and maintenance.

Business meetings will continue in Marseilles in January 1990, in the context of a mission to be organized by the Mediterranean Deposits Bank for Maghreb economic operators, to which the "Export Club" is planning to send a large delegation.

## **OMAN**

### **Electrical Power To Reach New Regions**

44040456b Muscat 'UMAN in Arabic 11 May 89 p 3

[Article by Salim Ibn-Rashid al-Na'ibi]

[Text] Muhammad Rida Ibn-Hasan Ibn-'Ali, the general director for electricity in the Ministry of Water and Electricity, stated that the ministry is constantly striving to expand the country's electricity grid so that every citizen can enjoy this service.

In a statement to 'UMAN, he added that the ministry's plan for this year includes the expansion of electrical service to include new residential neighborhoods and areas in the administrative divisions of Sama'il, Bahlah, Yanqul, Nakhl, al-Ma'awil, al-Rustaq and al-Buraymi, in addition to the Muscat area and the administrative district of Musandam, which are near electricity grids.

He went on to say that, during the past 4 months of the current year, the ministry has supplied electricity in a number of dispersed administrative divisions and areas, including the areas of 'Izz in the administrative division of Manab and Najd, Maskan, Majzi, Mahyul and al-Zahr in the administrative division of 'Ibri.

Electricity was also activated for the areas of al-Ghafat, Sifam and al-Jilab in the administrative division of

Bahla; Qarut al-'Ulya and Qarut al-Sufra, ('Amti) and Hayl al-Jadid in the administrative division of Izki; in al-Kamil, al-Wafi, Sada al-Bilad; and in Mahasin and al-Harf in the Musandam district. Also, service in the Muscat area includes Wadi al-Mih, Samkat, Mim and Markaz.

Muhammad Rida Ibn-Hasan emphasized that the ministry undertook the implementation of numerous projects at the start of 1989, which included the generation, transmission and distribution of energy.

He stated that the ministry would not undertake any new extensions of transmission lines if energy is not available to cover the electricity needs of areas targeted to receive electricity.

He stated that before undertaking new extensions, the ministry will consolidate the main grids feeding these areas. Based on this principle, the ministry is supplying service to citizens according to the material resources at its disposal, the availability of energy, the proximity of energy sources, and population density.

#### **The Fourth Plan**

Regarding the starting date for work on the electricity service project for the two administrative divisions of Wadi Bani Khalid and Dima' and Wadi al-Tayin, Muhammad Rida Ibn-Hasan confirmed that the ministry has prepared the necessary plans and cost estimates for the project.

He expressed his hope that the ministry would be able to provide electricity service to these two administrative divisions during the fourth 5-year plan.

#### **Omani Specifications**

Regarding the technical specifications to which the ministry adheres in implementing the grid, Muhammad Rida Ibn-Hasan stated that the ministry has begun to apply standard Omani specifications regarding materials used in the electricity grids. The ministry is also concerned with the consolidation and periodic maintenance of electricity grids, increasing transformer capacity, increasing emergency squads and their active maintenance, encouraging national companies operating in the area of electrical grids and calling on them for help when necessary. All of these factors led to an improvement in performance and a reduction of electrical power outages to the lowest level.

#### **Strengthening the Stations of Muscat and the Administrative Divisions**

He emphasized that the Ministry of Electricity and Water reinforced generation stations in Muscat and the administrative divisions, which increased their production capability.

In response to a question about the major factors which sometimes cause power outages, Muhammad Rida Ibn-Hasan emphasized that factors outside the ministry's

control include accidents in which drivers strike electricity poles and the severance of ground cables by companies and contractors excavating in areas through which electricity cables pass.

He indicated that some people make illegal hook-ups, causing technical break-downs, which only an electrical technician can discern.

Storms, which sometimes occur, can also cause outages.

Muhammad Rida Ibn-Hasan stated: I would like to emphasize that despite these difficulties, the ministry restores power as quickly as possible. Nonetheless, we always look to the citizen for help in overcoming these factors.

Regarding the ministry's delay in supplying electricity despite the completion of connections, as happened in the 'Izz area, Muhammad Rida Ibn-Hasan stated:

"There are no areas without electricity which have been connected to the electricity grid, and whose residents have wired their homes. What happened in 'Izz is that the ministry employed a company to install the low-voltage grids and the high-voltage line; when implementation was reviewed, it became clear that several materials used in the high-voltage line did not conform to technical specifications. Therefore, the ministry, in its desire to use the best electrical materials from a technical standpoint in order to provide continuous service without future problems, asked this company to replace these materials with others meeting specifications. This led to a delay in activating the grid. These new materials are in place, and the area of 'Izz currently enjoys electrical service. The ministry is always eager to serve citizens and their comfort and to improve the level of performance."

#### **Statistics on Agricultural Development Reported**

44040456a Muscat 'UMAN in Arabic 4 May 89 p 3

[Text] The third 5-year agricultural plan, which will end next year, is characterized by its special concern for technical and economic problems, with a view toward enabling agriculture to assume a significant, growing role in the diversification of national income sources. This is evident in the amounts allocated for new projects in the third 5-year plan, which totalled 46.783 million riyals, of which 10.206 million riyals were allocated for new agricultural projects, and 7.8 million riyals were allocated to support farmers. The goals of the third 5-year agricultural plan focus on closing the food gap resulting from a compulsory increase in food, livestock, meat, and dairy imports, which was not paralleled by an increase in exports. The plan also aims to increase the share of domestic agricultural production in the gross national product, introduce modern techniques to agriculture, and concentrate research activities and goals on modernizing agriculture and increasing its economic return. The agricultural development components of the crop production sector are represented by the following:

### Development and Reclamation of New Land

The projects being implemented in this field are:

1. The model project to develop agriculture in Jabrin and Jimah, which involves revitalizing agriculture in Jabrin by transporting surplus ground water from several areas of Jimah to agricultural areas suffering from irrigation water shortages in Jabrin.

2. The model agricultural development project in al-Ajrad in the administrative division of al-Kamil.

A goal of the plan is the establishment of a model 50-hectare farm as a first stage, with the understanding that water from two wells located 2.5 km from the location of the proposed farm be used.

3. The model farm in the administrative division of al-Kamil in the al-Sharqiyah region.

Another goal of the plan is to establish a second 50-hectare production farm.

4. The model production farm in Wadi al-Batha' in the al-Sharqiyah area.

The plan aims to establish a 100-hectare production farm east of al-Ghabrah in the administrative division of al-Mintirib.

5. The model production farm at Najd in the southern area.

In the framework of an Omani-Japanese cooperation agreement, the Japanese International Cooperation (JAICA) Agency is currently surveying water and soil resources and studying five sites in the Shambar area, namely, Wadi Dawkah, Mukhawrim, Sha'ar, Hatfit, and Qatbit. Based on the results of the study, farms will be established in areas with good water and soil prospects and potential.

6. An agreement with governmental organizations concerned with water to first survey ground water resources and later soil in high-priority areas in preparation for their agricultural development.

7. The implementation of an intensive 3-year program to undertake detailed exploratory and field surveys of soil in cooperation with the International Food and Agricultural Organization.

### Agricultural Research

The ministry's agricultural research policy includes the following:

1. The expanded use of mechanized agriculture to save time, energy, and money.

2. The breeding and cultivation of plant species adapted to the Omani environment.

In order to attain these goals, the ministry has adopted a number of measures to develop agricultural research stations, including the following:

a. The establishment of a new agricultural research station at Jimah.

b. Measures to develop and increase the efficiency of the agricultural research station at al-Rumays.

c. The establishment of a biological insect control unit attached to the agricultural research station at al-Rumays.

d. The formulation and implementation of research programs needed to solve farmers' problems.

e. The development of canal irrigation [al-rayy bi-al-afaj] at the al-Bazili canal [falj], the al-Hamid canal, and the al-Dariz canal.

### Agricultural Guidance

1. The issuance of agricultural publications to convey advisory information to farmers.

2. The formulation and implementation of advice programs for the training of farmers.

3. The development of existing guidance centers, and the establishment of new centers taking into account the area of the agricultural plot, the number of farmers, the relative importance of agricultural production in the area, and the nearness or distance of the closest existing guidance center.

4. Guidance in the use of fertilizers.

5. Guidance regarding the eradication of pests and the application of comprehensive anti-pest measures by increasing the Guidance Agency's ability to recognize the symptoms of affliction by different agricultural pests and to determine pest type and eradication method while avoiding the dangers of incorrect pesticide use.

6. The training of Omani extension agents so as to enhance their effectiveness and ability to convey the necessary practical information.

7. Directing the use of subsidies by farmers with a view toward implementing the ministry's programs.

8. The establishment of agricultural aggregates, which are carefully selected farms having the conditions for achieving the general, planned goals of agricultural sector development, and the concentration of support and guidance services in these aggregates.

The agricultural aggregates program has been implemented for the development of 250 farms nationwide.

**Agricultural Industries and the Promotion of the Date Sector**

1. The development of existing agricultural industries.
2. Reduction of the loss of agricultural products.
3. The provision of guidance for exploiting local agricultural products and their scraps through processing and the like.
  - a. A benefits analysis regarding the production of coconuts at Silalah.
  - b. A study regarding the establishment of an agricultural industries complex for processing dates, lemons and tomatoes.
  - c. A study on the use of the vegetable surplus for the establishment of small agricultural industries handled by the farmers themselves such as the date palm industry.
  - d. A study to develop a process for cooking unripe dates.
  - e. Research to develop dates storage process.

**Grazing Land Promotion Program in the Southern Area**

This includes: The reseeding of mountainous terrain in the southern area with herbaceous plants, grasses, shrubs and trees; and the provision of information and advice to residents of mountainous areas regarding the means for maintaining pasture lands and keeping them green. One thousand acres have been seeded, and 18 mountainous locations have been designated as sites for livestock guidance.

It also includes the implementation of the pasture lands administration program, which includes establishing a department for pasture lands, training current Omani cadres in the preservation and administration of pasture lands according to sound scientific principles, and the development of pasture lands based on an agreement with the International Food and Agricultural Organization.

**Dairy Products Collection, Processing and Marketing Project**

A benefits analysis of this project recommends establishing seven centers for the collection of dairy products from producers in the Dhofar mountains and establishing a dairy products plant. Measures are currently underway to propose the project to investors in the Omani private sector.



## REGIONAL AFFAIRS

**Najibullah Warns Pakistan, Urges National Peace Coalition**

46200005 Munich SUEDEDEUTSCHE ZEITUNG  
in German 22-23 Jul 89 p 10

[Interview with Afghan president Najibullah by Olaf Ihlau; Kabul, date not specified]

[Text] For 3 years now, Pashto Dr Najibullah, 42, a trained physician, has been heading the Afghan revolutionary government and has been under the pressure of the Moslem rebels. After the withdrawal of the last Soviet soldiers from the Hindukush last February, many people gave the regime of the former security chief little chance for a long survival. But Kabul's revolutionaries did surprisingly well, even without Big Brother. The attack by the Mujahedin was repelled—at least for the present. In the Kabul Argh palace, Najibullah gave the following interview to the SUEDEDEUTSCHE ZEITUNG:

[SUEDEDEUTSCHE ZEITUNG] Rocket attacks have been visited upon Kabul for weeks, car bombs explode in the center of the city—are government forces not able to counter the offensive of the Mujahedin?

[Najibullah] Unfortunately, rocket attacks and bomb assaults in Kabul have recently claimed many victims. All that comes from Pakistani territory, and that really is not a military offensive, but sheer terrorism. We are doing everything [possible] to counter it.

[SUEDEDEUTSCHE ZEITUNG] This morning there was a direct hit on a school. Luckily, vacations had been moved up. One playing child lost his life; had there been classes, there would probably have been many casualties.

[Najibullah] You should rather rebuke the Americans and Pakistanis who send these rockets. At present the Americans are leaving no stone unturned in order to gain, in the name of humanitarianism, the release of a U.S. journalist who illegally sneaked into our country. But when innumerable innocent civilians here become the victims of U.S. rockets, these same defenders of human rights keep quiet.

[SUEDEDEUTSCHE ZEITUNG] However, there are also people in Kabul who believe that some of these rockets are launched—perhaps by opponents within the regime—from government positions in order to foster a psychosis in the capital.

[Najibullah] But that is sick and absurd. What government would like to demonstrate its own weakness? Earlier, the blame was put on the Soviets. This clearly stems from the other side's propaganda arsenal of the department of psychological warfare. Everybody in Afghanistan knows who stands for peace here, and who for war.

[SUEDEDEUTSCHE ZEITUNG] You see in Pakistan, as the transit country for the Mujaheddin's arms supplies, the major guilty party for these attacks and threaten [it] with "destructive blows." Do you want to engage in a war with Pakistan?

[Najibullah] Pakistan more and more is working itself up into a war against Afghanistan. Pakistani militias fight together with the extremists (this means the Mujahedin; the editor) in the border area against our troops. Some operations are conducted directly from Islamabad, such as the failed attempt to conquer Jalalabad. It continues that way and meanwhile has reached a dangerous dimension in which Pakistan must be prepared for the flame of war to also jump to its own territory. From that a larger regional conflict could arise very quickly, and the responsibility for it would rest with the Pakistani government.

[SUEDEDEUTSCHE ZEITUNG] What do such sinister threats mean? Do you intend in the near future to fire your Scud rockets at Peshawar, the northern Pakistani border town where the Mujahedin headquarters are located?

[Najibullah] We want peace. But if we are forced into the military option, we shall know how to defend ourselves—with all means available to us. We also have our friends.

[SUEDEDEUTSCHE ZEITUNG] From these Soviet friends you demand more and better arms, for example the MiG-29. The Mujahedin will address corresponding demands to the United States and will probably have them met. Instead of de-escalation of the conflict, there is a new round of arming for the battle [down] to the last Afghan.

[Najibullah] We have declared a thousand times that there is no military solution for this conflict. We have proposed an armistice, national reconciliation and, under certain international guarantees, even the demilitarization of Afghanistan, subject to the proviso to transport all weapons back to their countries of origin. Our government and that of the Soviet Union have also suggested several times that arms deliveries to both sides be stopped simultaneously. But all these proposals were rejected by the leaders of the resistance alliance and their international sponsors. Their slogan is: war, continuation of the war. Thus Pakistan and the United States have deliberately violated the Geneva agreement on Afghanistan which they themselves had signed. They want to carry out the policy of the big stick. So we have no other option but to also better arm ourselves. Self-defense must still be allowed.

[SUEDEDEUTSCHE ZEITUNG] One does not have to be a cynic to understand, on the other hand, that the Mujaheddin first want to improve their military position before they can sit down at the negotiating table.

[Najibullah] In February, some in the West gave us only a few hours of survival, and already an entire battle

season has passed. We will see it through. But what magic is supposed to work in 5 or 7 months when it did not work 5 months ago? I said already at the beginning of the Soviet troop withdrawal that the military option cannot prevail for either side. It is a crime to further bank on war and bloodshed.

[SUEDEDEUTSCHE ZEITUNG] How quickly could the conflict end if the superpowers were to agree to a weapons-stop?

[Najibullah] We would immediately proclaim an armistice and start negotiations with the opposition. Then a transitional government could be formed on the broadest base and a new constitution could be worked out which would have to be approved by a large tribal assembly (Loya Jirgah). And then there would have to be elections in which all political forces should participate.

[SUEDEDEUTSCHE ZEITUNG] Elections under international supervision?

[Najibullah] We would have no objection to that. Last night I listened to the Voice of America...

[SUEDEDEUTSCHE ZEITUNG] Hm, the broadcasts you listen to...

[Najibullah] It dealt with Nicaragua. It was said that, initially, the United States were going to support the revolution there with \$180 million. But because Managua did not stay on the democratic road, this aid was then blocked. Curious: We here in Afghanistan are for democratic elections and pluralism, yet it is not we who get support but those who uphold a military solution. Nice principles.

[SUEDEDEUTSCHE ZEITUNG] What proportion does your Democratic People's Party now claim in a national coalition government; is it to be the dominating force?

[Najibullah] It is not a question of mathematical equations, but of the respective potential and competence. Negotiation will have to determine in what proportion every political party will participate.

[SUEDEDEUTSCHE ZEITUNG] And you would be willing to resign from the office of president and would not stand in the way of such a coalition?

[Najibullah] It would hardly serve a national balance to exclude a priori certain persons or parties from this process. We must all struggle to learn to get along.

[SUEDEDEUTSCHE ZEITUNG] The Mujahedin have had the greatest difficulties with that amongst themselves as is drastically evidenced by latest reports about a massacre between adherents of fundamentalist Hekmatyar and those of Commander Massoud.

[Najibullah] This occurrence demonstrates again that these people stand only for discord and battle amongst themselves and are encouraged in it from outside. We

Afghans would manage to get together if foreign forces were not constantly interfering.

[SUEDEDEUTSCHE ZEITUNG] There have been attempts to get exiled former King Zahir Shah into the game as mediator. But the monarch hesitates to get involved. Has he missed his cue?

[Najibullah] There would still be enough opportunities for the former king to assume a meritorious role. We would support any attempt by Zahir Shah to end bloodshed and war in our country.

[SUEDEDEUTSCHE ZEITUNG] Most of the Western countries have closed their embassies in Kabul because they expected the collapse of your government after the Soviet troop withdrawal. But that is obviously not the case. Are you hoping that the Western missions will be reopened within the foreseeable future?

[Najibullah] Questions of security were only a pretext. The withdrawal of the Westerners was part of the psychological war, was meant to exert more pressure on us. Other countries that did not toe Washington's line, such as Iran, have meanwhile expanded their relations with us. The Western countries should also rethink their policy and decide for a return to Kabul.

[SUEDEDEUTSCHE ZEITUNG] Only, hardly anyone will return while rockets are raining on Kabul.

[Najibullah] In accordance with the Vienna convention for the protection of diplomats, we would do everything to ensure their safety. Terrorist attacks occur everywhere in the world.

[SUEDEDEUTSCHE ZEITUNG] Do you want West German teachers to return to the Amani school in Kabul?

[Najibullah] We would like to see that, and this cooperation should not be limited to the cultural sector only, but should also be expanded to other areas.

## INDIA

### Gandhi Holds 16 Jun Media Conference in Calcutta

46001528 Calcutta THE STATESMAN  
in English 17 Jun 89 pp 1, 9

[Excerpt] Even though he reiterated India's policy of non-interference in the internal affairs of another country, the Prime Minister indicated his disapproval of the events in China when he said at a Press conference at Calcutta airport on Friday: "We are for democracy everywhere. We feel it is the best option available."

He, however, qualified his statement by saying that "if we do not have protection for weaker sections, democracy can also be counter-productive." Hinting that the last word on the happenings in China had not been said

by India, Mr Rajiv Gandhi added: "We are watching the goings-on in China and we will react at the appropriate time."

The Prime Minister's reaction to events in China came 11 days after the People's Liberation Army was used by the Chinese Communist Party to break up the pro-democracy movement by students and workers. Initial reactions to the crackdown came from the External Affairs Ministry which had stated that India was saddened by events in China but it was an internal affair of that country.

Commenting on the U.S. action under the Super 301 provision of the Trade and Competitiveness Act (where India along with Brazil and Japan had been accused of unfair trade practices) Mr Gandhi said: "We will not be dictated on how to run our country and how to frame our laws." "It is a direct intervention in our internal affairs," he said at Raj Bhavan earlier.

There were all sorts of problems between India and the United States, "which we will sort out." Bilateral and multilateral discussions would be held between the two countries, he said but firmly added that "no talks would be held under Super 301." Asked whether India's successful launch of the Intermediate Range Ballistic Missile, Agni, had something to do with the U.S. threat, he said he did not think so.

On the U.S. promise to supply more F-16 fighter aircraft to Pakistan, the Prime Minister said: "Well, it will increase tensions in the region. We have lived with it before. We will live with it now." He, however, thought that Pakistan could not pose a threat to India. Asked to comment on the talks between India and Pakistan on the Siachen issue, Mr Gandhi said the problems were very serious indeed. "We do not expect solutions but we do expect progress."

Asked whether India was behaving like a regional Big Brother, Mr Gandhi said: "Not at all." On the issue of IPKF [Indian Peacekeeping Force] withdrawal, he said that the agreement between Sri Lanka and India gave certain responsibilities to either side for the heads of the two countries had signed it. He disclosed that the Sri Lankan President, Mr Premadasa, had written to him on Thursday. "I will reply soon but our Government's position has been made fairly clear. I would not like to say anything more at this point."

Our Special Representative adds: At his 20-minute-long Press conference at Calcutta airport Mr Gandhi dwelt on the growing dangers of communal politics. The Prime Minister said that the BJP constituted the greater threat to the nation than the CPI(M) [Communist Party of India-Marxist] because of its overtly communal character. Communalism is the real danger. The BJP [Bharatiya Janata Party], which used to be very communal in the past, had veered away from it in the intervening period. But in the last couple of weeks the BJP had reversed its position.

Mr Rajiv Gandhi, however, was quick to negate the possibility of an understanding with the Left to defeat the BJP. "We have no such programme, for the Leftists are closely committed to the Janata Dal and the BJP at the moment."

The Prime Minister also sought to dispel the notion among State Congress (I) workers that he had written the State unit off because he had been showering lavish praise on Mr Jyoti Basu and the Left Front. "The West Bengal Congress (I) is very much supported by the Centre," he said. He complained that unlike in Delhi, misreporting had crept into the Bengal Press regarding the Darjeeling meeting. "It was an official meeting and I wanted to have all of us together on the same platform—Mr Subash Ghisingh, Mr Jyoti Basu, the Governor, Mr T.V. Rajeswar Rao, and me. I wanted to show we are solidly together and there was no division any more on this." When it was pointed out that the West Bengal Pradesh Congress (I) had felt let down all the same, the Prime Minister said: "I don't think so. I have spoken to them."

Mr Gandhi took pains to explain that he had been praising Mr Basu and other Chief Ministers where they had done well and pulling them up when they have not done so well. "The area where I have praised Mr Basu was the Government's performance in Panchayati Raj. They have done a good job." So had Karnataka and Andhra Pradesh. Maharashtra and Gujarat had done still better. But there was scope for improvement.

Asked to elaborate his charges made in Patna on Thursday where he reportedly said "that superpowers had been inspiring the Opposition," Mr Gandhi said: "That is not exactly what I said."

The Janata Dal and earlier the Janata Party had been staging massive agitations in Orissa to prevent the launch of the Agni. This despite the fact that Janata Dal leaders "had met me, the Defence Minister and other Union Ministers and we explained its importance in view of national security and the need for self-reliance." They had been asked not to agitate but they did not listen.

The Janata Dal has been opposing Agni and "then there were threats...threat is a strong word," the Prime Minister paused and said: "There are indications that many countries are not happy at our being able to come up with an Intermediate Range Ballistic Missile." He pointed out that there was unhappiness even while "we were testing the missile." Asked whether he thought foreign powers were behind the Janata Dal's opposition to Agni, Mr Gandhi said with a mischievous smile: "It is here that we need investigative journalism."

On the Congress (I)'s defeat at the Siliguri Mahakuma election, the Prime Minister said: "You lose and win elections. It does not matter." On the delay involved in clearing the Haldia petrochemical project, he said that it was not economically viable. "I have instructed officials to give it a re-look...to see how it can be made more

viable, may be by altering the size or the product mix." A meeting is slated for 23 June in Delhi for discussions on the project.

Earlier, speaking to reporters after the Raj Bhavan ceremony, Mr Gandhi held the West Bengal Government responsible for the present power crisis in the State. The Prime Minister said that the WBSEB had a "dismal performance record both in terms of construction and running of power plants."

Replying to a question on the Centre's stand regarding the proposed Bakreswar power plant Mr Gandhi said that it would have been better had the project been handed over to the National Thermal Power Corporation. "The NTPC has an excellent record both in construction and running of power plants with a load factor of 75 to 80 percent." When the poor performance of the NTPC at Farakka was pointed out, the Prime Minister admitted that some of the units of the NTPC were not functioning well. He was, however, of the opinion that it would be better to allow them to generate whatever power such units could rather than closing them down. Mr Gandhi refrained from commenting on whether the State Government was using the Bakreswar issue for any political purpose. "It is for the mediemen to judge," Mr Gandhi said.

Dwelling on the dismal power position in the State, Mr Gandhi said that the State Government could not utilize more than 48 percent of its total outlay for power during the Sixth Plan period. He reiterated that had the Bakreswar power plant been given to the NTPC four units of 210 MW in the first phase could have come up much earlier.

Mr Gandhi admitted that the recent increase in newsprint prices had created some problems and said that his Government was looking into the matter. He, however, expressed his inability to freeze prices of newsprint for which amendment of some rules and regulations was necessary. [passage omitted]

#### **Gandhi: Foreigners Helping Opposition Parties**

46001530 Calcutta THE STATESMAN  
in English 16 Jul 89 p 1

[Article: "Super Powers Inspiring Opposition, says P.M."]

[Text] Patna, June 15—Mr Rajiv Gandhi today charged the nation's Opposition with drawing inspiration from the "super powers" who did not want India to grow strong. Questioning the credibility of the Opposition parties—he named the Janata Dal and its allies, the CPI [Communist Party of India] and the CPI(M) [Communist Party of India-Marxist], besides the BJP [Bharatiya Janata Party]—the Prime Minister said the Opposition parties owed an explanation to the country for joining hands with foreign powers to weaken the country.

Mr Gandhi, who was addressing a huge Congress(I) rally at the local Gandhi Maidan, appeared confident after seeing a comparatively impressive turnout of Congress(I) workers and people and used the opportunity to attack the Opposition for going against his Government and its policies.

Mr Gandhi said those who were pointing fingers at him, that is the prominent Opposition parties like the Janata Dal, CPI and the CPI(M), and their leaders had themselves appeared in the dock facing charges of corruption, murder and dowry deaths. "The Opposition leaders' background and their bio-data are full of indictments and strictures by the Supreme Court, high courts and commissions of inquiry. Many leaders are facing murder and dowry death charges", Mr Gandhi said, and asked what right these leaders had to question the Congress(I) policies which were taking the country to the path of progress.

Without naming the USA, the Prime Minister said: "A certain super power was opposed to the test of the intermediate range ballistic missile, Agni. They wanted us to stop the test. But we ignored the threats and went ahead with it. That made every citizen of the country proud", Mr Gandhi said.

The Prime Minister again charged that a certain Janata Dal leader from Orissa had been agitating against the Agni test for the past two years. "I would like to know if the Janata Dal leader and the super power that wanted to prevent India from possessing the expertise were speaking in one voice," Mr Gandhi asked.

He wondered how the CPI and the CPI(M) in their bid to grab some more seats in Parliament were hobnobbing with parties like the Janata Dal and the BJP. Mr Gandhi cited the recent BJP resolution that declared the party's alliance with the Shiv Sena in Maharashtra. The Prime Minister said it was now clear that the BJP was a communal party and the Janata Dal was going to join hands with it.

Mr Gandhi took the Opposition to task for going against the panchayati raj system that promised power to the people. "It seems the Opposition, including the CPI, CPI(M) and the Janata Dal, were against panchayati raj because their roots lie in feudalism and corruption". Mr Gandhi claimed that panchayati raj would eliminate corruption.

The Prime Minister announced a package of projects for Bihar, including the setting up of some industries in the public sector, clearance of a power plant in Bhagalpur and construction of the missing link on the lateral road system in north Bihar.

Mr Gandhi, who was encouraged by the response of the crowd, was joined by an over-enthusiastic Pradesh Congress(I) president, Mr Jagannath Mishra.



**Reportage, Comment on India's Sri Lanka Stand****PEOPLE'S DEMOCRACY Article**

46001518 Madras *THE HINDU* in English  
29 Jun 89 p 9

[Text] New Delhi, 28 Jun—The CPI(M) [Communist Party of India-Marxist] has slightly revised its earlier stand on the recall of the Indian Peace Keeping force (IPKF) from Sri Lanka. Now it feels that since the demand comes from a sovereign nation, India has no option other than negotiating the withdrawal schedule. It wants the Government to make a considered response to Sri Lanka.

The CPI(M), which criticised the unilateral demand of the Sri Lankan President, Mr R. Premadasa, for the IPKF's recall, fears that the Prime Minister, Mr Rajiv Gandhi's preconditions for withdrawal will only strengthen those who want India-Sri Lanka relations to worsen.

The party's latest stand on Sri Lanka's plea to pull out the IPKF before the end of July is set out in an editorial of the party organ, *PEOPLE'S DEMOCRACY*, due for publication on 2 July.

**Risky Step**

"The threat of violence directed against all Indians and Tamils of Indian origin and the rising discontent with the UNP [United National Party] regime's policies," it says, "have all contributed to a situation where Mr Premadasa has decided on a risky and desperate gamble to call for the withdrawal of the IPKF."

"While such a stand is fraught with grave consequences for the unity and integrity of Sri Lanka, it is being done by the government of a sovereign country deciding its own policies. The Indian Government, therefore, is left with no option but to negotiate the schedule of withdrawal."

In its perception, the Indo-Sri Lanka accord of 29 July 1987 provides a reasonable framework for Tamil autonomy in a united Sri Lanka. It compliments the IPKF for working sincerely within this ambit to create proper conditions for implementing the accord.

But it feels attempts to set preconditions for withdrawal will only worsen matters, and therefore suggests that New Delhi "must give a considered response to the declared stand of Mr Premadasa" and open substantive talks with Colombo for an amicable settlement on a timetable for the IPKF's withdrawal. It wants the dialogue to be undertaken on a clear understanding of Sri Lanka's sovereignty.

**Steps for Safety**

The Tamil minority's fears about safety once the IPKF leaves are genuine, says the CPI(M) organ. It wants steps

taken to give assurances of safety, and advises Colombo to complete the process of devolution of power on the provincial councils.

*PEOPLE'S DEMOCRACY* describes the 1987 accord and the letters exchanged by the heads of the two governments then as an awareness of the threat to Sri Lankan unity as well as to Indo-Sri Lanka relations. U.S. imperialism, it says, has not reconciled itself to losing Trincomalee as a military base and is pursuing its efforts to destabilise the region.

"It is clear from the recent turn of events," it says, "that U.S. imperialism will gain from the disruption of the accord. The new found opportunistic convergence of interests between the Sri Lankan Government and the LTTE [Liberation Tigers of Tamil Eelam] and the rising offensive of the Sinhala chauvinist forces do not augur well for the future of the country. The CPI(M) hopes that the Sri Lankan Government and all democratic forces in Sri Lanka will take such steps as will ensure the peace and unity of different sections of the people and strengthen the friendly relations between the two countries."

**PTI reports from Vavunia**

Leaders of various Tamil parties in Sri Lanka have urged the Indian government not to withdraw the Indian Peace Keeping Force (IPKF) from the island unless the security of the Tamils was ensured and all the powers envisaged under the Indo-Sri Lanka agreement was devolved to the North-Eastern Provincial Government.

Mr K. Padmanabha, secretary general of the Eelam People's Revolutionary Liberation Front (EPRLF) said to protect the Tamils, a new organisation called the "Tamil National Organisation" would be formed.

The island President, Mr R. Premadasa, was aiming to "annihilate" the Tamil race after the withdrawal of the IPKF, using the Sri Lankan Army, he charged adding, his party wanted all the Tamils to unite and fight against this design of Mr Premadasa.

Mr Padmanabha said the EPRLF and other political parties in North-Eastern Province, would have no alternative but to unilaterally declare the formation of a "separate Eelam" State if the provincial council was dissolved by the Government.

He expressed the hope that the IPKF would not be withdrawn as the Indian Government had assured the Tamils that it would guarantee their rights and security.

He alleged that the Sri Lankan Army was helping the LTTE by giving them arms, money, and transport to fight the IPKF in particular and the Tamils in general. He said the LTTE had been exposed now because it had started negotiations with the 'enemy' of the Tamils.

Mr Varadaraja Perumal, Chief Minister of the North-Eastern Provincial Council, said an "emergency-like situation" had come about in Sri Lanka only after Mr

Premadasa wanted the IPKF's pull-out. He alleged that Mr Premadasa had sought the pull-out only to divert attention from the issues he was facing in southern Sri Lanka.

### Wijeratne Letter Analyzed

46001518 Madras *THE HINDU* in English  
28 Jun 89 p 1

[Text] New Delhi, 27 Jun—The letter sent by the Sri Lankan Foreign Minister, Mr Ranjan Wijeratne, to his Pakistani counterpart, Sahabzada Yaqub Khan, expressing his country's inability to attend the SAARC [South Asian Association for Regional Cooperation] Council of Ministers meeting in Islamabad, is strongly critical of the Indian Government's "intransigence" and has referred to the controversy over the withdrawal of the IPKF [Indian Peacekeeping force] as "a very serious situation" in the relations between the Governments of Sri Lanka and India.

The text of the Sri Lankan Foreign Minister's letter, a copy of which was obtained by this newspaper, makes clear that the Premadasa Government is attempting to challenge the fundamental premise of the Indo-Sri Lankan Agreement by arguing that the question of the withdrawal of the IPKF is not linked to various other issues like devolution of power to the Provincial Council in the Northeast.

### Specific Role for India

A reading of the Indo-Sri Lankan Agreement in its entirety shows that the Indian Government has been given a specific role and locus standi under the terms of the Agreement, not only in cooperating with the Sri Lankan Government in the ending of hostilities between the Tamil groups and the Sri Lankan army, but in "ensuring the physical security and safety of all communities inhabiting the Northern and the Eastern Provinces." Further, the proposals embodied in the Agreement relating to the cessation of hostilities, the referendum on the merger of the two provinces were "conditional on an acceptance of the proposals negotiated from 4-5-1986 to 19-12-1986" relating to the issues of devolution of powers.

The Agreement stipulated that residual matters pertaining to the issue of devolution of powers were "to be resolved between India and Sri Lanka within a period of six weeks of signing this Agreement. These proposals are also conditional to the Government of India cooperating directly with the Government of Sri Lanka in their implementation."

Although the Indo-Sri Lankan Agreement specifically provides for a role for India in the matter of implementing the process of devolution of powers to the Provincial Council in the Northeast, the Sri Lankan Foreign Minister has implicitly challenged the substance of this role in his letter. Explaining that his Government was waiting for a formal response from the Government

of India about the withdrawal of the IPKF, Mr Wijeratne's letter to his Pakistani counterpart said that in the meantime several official pronouncements in India had revealed that India did not agree to the withdrawal of the IPKF by the dates suggested by Sri Lanka. "Instead they (India) have linked the question of the withdrawal to various other questions such as devolution in the North and the East which has no bearing on the question of the IPKF withdrawal."

"This negative response which has received wide publicity in our country has provoked deep anguish and resentment among our people. Extremists are preventing the use of Indian manufactured goods. There is also resentment against the presence of Indian nationals; however we have thus far been able to ensure their safety and security," Mr Wijeratne's letter said.

### 'Provocative Issue'

Asserting that India "was unable to fulfil its obligation" of enforcing a cessation of hostilities by the Tamil militant groups and a surrender of arms by them in contrast to the "Sri Lankan troops being confined to barracks" under the terms of the Agreement, Mr Wijeratne said: "Even more serious is the fact that the continuing presence of the IPKF has become a deeply divisive and a provocative issue...increasingly utilised by the subversive groups in the South to escalate their violent campaigns against the Government."

In these circumstances, the Sri Lankan President had informed the Indian Government that he would like "all the IPKF personnel withdrawn from Sri Lanka by 31 July 1989 as this would help restore the much-needed stability of this country." While making this request, Mr Wijeratne's letter said the Sri Lankan Government was "aware that the Indian Government had already withdrawn several battalions voluntarily." Besides, "they had publicly declared that the IPKF would be withdrawn whenever so requested by the President of Sri Lanka."

According to Mr Wijeratne's letter, that formal request was sent through the Sri Lankan Foreign Secretary "who also took the opportunity to explain the compulsions of our Government in requesting the complete withdrawal of the IPKF and also to explain to what extent this would add a new dimension in our efforts to seek peace and stability in this country."

The Sri Lankan Foreign Minister maintained that India had been informed that in view of Sri Lanka hosting the SAARC summit later this year, the withdrawal of the IPKF would enable Sri Lanka to hold the summit 'in a climate of tranquility' and that it was difficult to organise a regional gathering of such importance "with foreign forces on our soil."

### Why Colombo Keeps Off Meet

Mr Wijeratne's letter to the Pakistani Foreign Minister, copies of which were circulated to the Foreign Ministers

of all the SAARC member-countries, said: "Our Government was looking forward to participating in the forthcoming ministerial meeting to be hosted by you" and that "we realise that this would have paved the way for the summit but in the face of the Indian Government's intransigence, we have now reconsidered our participation."

"We are also aware of the rule in the SAARC charter that bilateral issues cannot be raised in SAARC deliberations and even if we do attend this meeting, we would not be able to present Sri Lanka's predicament before the Council of Ministers," Mr Wijeratne's letter said, indicating that in the offing is a return to the tenor of the pre-Agreement phase, when relations between the two countries were at a low and the Sri Lankan Government had launched a blistering diplomatic offensive against India in the regional context.

"We firmly believe," Mr Wijeratne's letter said, "that one of the main objectives of SAARC is to ensure the well being and prosperity of the people of this region. This cannot be achieved unless the member-States agree not to interfere in the affairs of other members and take undue advantage of their size and prominence. In these circumstances, we have come to the conclusion that our participation in the Council of Ministers meeting will not serve any useful purpose."

#### Foreign Office Spokesman's Remarks

46001518 Bombay THE TIMES OF INDIA  
in English 28 Jun 89 p 1

[Text] New Delhi, 27 Jun—India today deplored what it called, "Sri Lanka's attempt to disrupt the functioning of SAARC by introducing bilateral issues in this forum."

A foreign office spokesperson told newsmen here that India attached considerable importance to the concept of SAARC [South Asian Association for Regional Cooperation] and welcomed the progress made by the organisation in bringing together the peoples of South Asia.

"A reason why this has been possible is that bilateral issues have not been taken up in SAARC forums. These were necessarily contentious issues and would disrupt the main aim of SAARC which was to promote regional co-operation."

Despite Sri Lanka's boycott, senior Indian officials were already at Islamabad and together with their colleagues from other SAARC countries were working on the various programmes. The Indian foreign secretary, S.K. Singh, would be shortly joining these officials.

Islamabad (UNI): As the stalemate over Sri Lanka's participation in the current SAARC ministerial and other meetings continued, senior officials of member countries called off their formal session for the second day on Tuesday.

Pakistan, as host of the foreign ministers' conference, decided that in terms of the SAARC charter it was not possible to go ahead with any formal meeting.

The issue now rests with the foreign secretaries who are slated to begin a two-day meeting on Wednesday.

#### Paper Reports on Natwar Singh's Visit to Hungary

46001523 Bombay THE TIMES OF INDIA  
in English 22 Jun 89 p 10

[Text] Budapest, 21 Jun (PTI)—India and Hungary have emphasised on the need for keeping up and expanding parliamentary contacts between the two countries, during talks the minister of state for external affairs, Mr K. Natwar Singh held with Hungarian party general secretary, Mr Karoly Grosz.

Mr Grosz, in the meeting held yesterday, regretted that he had to postpone his visit to India early last year. However, he said, he would visit India as early as the domestic situation permitted.

Mr Singh also met the Hungarian national assembly president, Mr Matyas Szuros, the deputy prime minister, Mr Peter Medgyessy and the minister of state, Mr Imre Pozsgay.

This is probably the first time that the Hungarian party chief had received a minister of state as usually he meets only with heads of state and government, top party leaders from socialist countries and at best only cabinet rank foreign ministers.

The national assembly president, Mr Matyas Szuros, briefing the Indian minister on the political and electoral reforms currently on in Hungary said that in its process of democratization "Hungary could learn something from India as from no other country."

An Indian parliamentary delegation is to visit Hungary in September following these discussions.

During the talks with the deputy premier, Mr Peter Medgyessy, the sides reviewed the bilateral relations with special attention to their expansion since Premier Rajiv Gandhi's visit here last year. Mr Medgyessy said the projected Oberoi Hotel in Budapest would get under way very shortly.

He emphasized the need for greater and closer cooperation between Hungary and India in every field and said that the target of 200 million dollars trade turnover stipulated during Mr Gandhi's visit is close to realization. The sides agreed that vast potentialities exist for cooperation in sports.

Mr Natwar Singh delivered a lecture on Monday at the Hungarian Institute for Foreign Affairs on "Nehru and India's foreign policy" as part of the Nehru centenary celebrations going on in Hungary.

Mr Laxzlo Koyacs, secretary of state for foreign affairs expressed Hungary's keenness to attend the non-aligned summit in Belgrade in September as observer or guest and sought India's support for the purpose.

### **More on Foreign Minister's Letter to Nepal**

46001522 Madras *THE HINDU* in English  
22 Jun 89 p 7

[Text] New Delhi, 21 Jun—India has reiterated its willingness to discuss the entire gamut of bilateral relations with Nepal and has sought an early date for such negotiations.

In a letter to the Nepalese Foreign Minister, Mr Shailendra Kumar Upadhyaya, the External Affairs Minister, Mr P.V. Narasimha Rao, has said that India was willing to discuss the entire range of bilateral issues covering aspects of trade and transit, the welfare of Indian citizens in Nepal and other matters of common concern. No pre-conditions have been set down for talks in the letter.

Despatched on 16 June, the letter, described as an 'extremely friendly, warmly worded and comprehensive one by an official spokesman of the Ministry here, has also sought certain clarifications from the Nepalese authorities about the shifting stand adopted by them on a number of issues.

Nepal, for instance, talked about bilateral trade being conducted on the basis of the most favoured nation (MFN) treatment at one stage but later complained about shortages of many commodities in that country, without realising that this was a direct consequence of the MFN basis of trade.

Similarly, at one point the Nepalese authorities felt the imposition of high duties on Indian goods was 'irrevocable' but later changed the position to say that a reduction could be considered. Even otherwise, different functionaries of the Nepalese Government have been saying different things, all of which sent mixed signals here and created a good deal of confusion about its stand in general. Clarifications on all these points have been sought.

### **Visiting Australian Minister Tells Outcome of Talks**

46001533 New Delhi *PATRIOT* in English  
10 Jun 89 p 5

[Article: "Indo-Australian Ties Poised for Big Growth"]

[Text] India and Australia have achieved an across-the-board agreement on enlarging and strengthening bilateral cooperation in economic, international and regional issues.

Visiting Australian Minister for Foreign Affairs and Trade Gareth Evans told newsmen on Friday at the end of his two-day official talks in New Delhi that both

countries had agreed on the need to protect and preserve the environment of Antarctica.

Expressing satisfaction at India's readiness to cooperate with Australia to stop mineral exploitation of Antarctica, Mr Evans said he had had detailed discussions on this subject and other issues with Prime Minister Rajiv Gandhi and a team of ministers.

External Affairs Minister Narasimha Rao, Defence Minister K. C. Pant, Commerce Minister Dinesh Singh, Energy Minister Vasant Sathe and Minister of State for Science and Technology K. R. Narayanan were among those who participated.

Giving details of his talks, Mr Evans said Indo-Australian relations were poised for new growth with concrete agreements reached during this visit. Besides supporting the Australian initiative on the environment of the Antarctic region, India had also agreed to participate in the international industry conference on chemical weapons in Canberra in September this year.

Mr Evans said Australia had embarked on an "adventurous" step of seeking global support for a comprehensive ban on mining drilling and similar operations in the Antarctic. Though its initiative was likely to face opposition, Australia was going to step up momentum to gather international support, Mr Evans said. It was working towards evolving a comprehensive environment treaty to prohibit drilling and mining operations.

Australia has also offered to assist in the development of the Piparwar opencast coalmine project of Central Coalfields.

When fully developed, the Piparwar project will have an annual production capacity of 6.5 million tonnes of raw coal to yield 5.5 million tonnes of beneficiated power grade coal.

The Australian Minister also said that his country was keen on participating in the development of the Palana-Barsinghar lignite complex in Bikaner district of Rajasthan.

Meanwhile, first meeting of the recently-constituted joint ministerial commission, co-chaired by Commerce Minister Dinesh Singh and Australian Minister of International Trade Negotiations Michael Duffy, will be held in Canberra on July 26-27 this year, Mr Evans said.

The two countries also agreed to hold a new round of talks on double taxation and to intensify efforts to implement a 35 million Australian dollar bilateral aid programme in railways, mining and food processing.

Food Processing Minister Jagdish Tytler will also visit Australia shortly to study various joint ventures in the food processing industry. Both countries also had a fruitful discussion on the tax system for import and re-export of agricultural products, besides agreeing to set up a joint working group on coal.



Mr Evans said his talks with Indian leaders included developments in China the situation in Cambodia besides regional issues including India's relations with its neighbours Pakistan, Nepal and Sri Lanka. The Indian defence programme also figured at the talks.

The recent launch of the 'Agni' missile by India was noted and the Australian reservation on proliferation of the ballistic missile regime in the world conveyed to the Indian Government. Agni had been a pure research and development project, Mr Evans said.

The Australian Minister also expressed hope that India was likely to support the candidature of former Australian Prime Minister Malcolm Fraser for the post of Commonwealth Secretary General. Regarding the forthcoming Commonwealth Heads of State conference, both countries voiced support for Pakistan's re-entry into the Commonwealth.

### Party Officials Explain Janata Dal Policy

#### 'People's Charter' Released

46001536 Calcutta THE TELEGRAPH  
in English 1 Jun 89 p 4

[Text] New Delhi, May 31—The Janata Dal national campaign committee chairman, Mr George Fernandes, today released a 25-point people's charter which reads like the electoral manifesto of a party "all set to capture power."

Releasing the three-page document, Mr Fernandes said right to work would be made a "fundamental right, and the Constitution shall be amended towards this end." The party would launch a signature campaign in favour of this right away and submit to the President at least one crore signatures in support of the demand on August 16.

Mr Surendra Mohan and Mr Ram Vilas Paswan jointly addressed the press conference. They said the campaign committee would meet on Friday to determine agitational programmes of the party on the line of its declaration at the Bangalore convention on May 23 and 24. All state chiefs of the Dal campaign committees have also been invited to attend the meeting.

Mr Fernandes said political conferences would be held in every state by June-end to be followed by district level conferences by middle of July. Workers' participation in minimum wages, farmers' issues and artisans' problems would be decided by labour, farmer and artisan bodies affiliated to the party respectively at these meetings. Mr Fernandes said a national women's conference was being held in Bombay on June 7.

Coinciding with the 14th anniversary of the declaration of Emergency, the Janata Dal would gherao All India Radio and television stations all over the country on June 26.

The people's charter promised uniform and universal education to all children with special emphasis on girls through neighbourhood schools up to the high school level in the medium of the vernacular. There will be no special institutions for affluent classes at any level during the "Janata Dal raj." Upgrading the status of school-teachers and improvement in their conditions of work and complete literacy within 10 years would be the party's priority.

#### 'New Deal'

There would be a new deal for farmers and for the rural area through the channelisation of 50 percent of Plan funds for agriculture and related works. The charter reiterated Mr V. P. Singh's promise that debts of farmers, rural artisans and agricultural workers up to Rs 10,000 would be written off and there would be parity in the prices of agricultural and industrial produce with the cultivators being represented on the agricultural prices commission.

On the labour front, the charter promised national minimum wage for workers in all sectors in the organised sector. Criticising the present labour and employment policy of the government, Mr Fernandes said in the last five years, the country had lost at least 1.2 million jobs in the organised sector. He was opposed to modernisation if it was against the interest of labour, he said. The public sector with a Rs 20,000-crore investment, had generated exactly 20,000 jobs in the past five years. The thrust of the Janata Dal economy would be on the generation of more jobs with less investment, Mr Fernandes said.

The charter promised rehabilitation of workers in sick and closed industries and effective workers' participation in management and decision-making on all important issues. It would guarantee reservation of manufacture of all items which could be manufactured in the cottage and small sectors. It opposed alienation of tribals and pledged restoration of tribal lands.

#### Women's Champions

For the backward classes, it promised to implement the Mandal Commission report within a year of forming the government. It would defend the property rights of women and promised 30 percent job reservation in public employment, panchayati raj and local bodies with special emphasis on women from the backward and weaker sections within the overall framework of reservation policy.

It recommended setting up of a watchdog women's committee attached to every police station to assist the police on crimes against women.

#### Media Autonomy

The Dal, if it came to power, would convert Akashvani and Doordarshan into autonomous corporations, the charter pledged.

It would also improve relations with "our neighbouring countries," the charter said.

The other promises include: banning of foreign capital and multinationals from consumer goods and non-essential sectors; emphasis on Swadeshi and self-reliance; and immediate legal and diplomatic steps to identify and bring back to the country all Indian monies stashed away in foreign banks followed by criminal prosecution of the offenders.

Government employees would enjoy safeguards against arbitrary dismissal through an amendment to Article 311. There would be a "four-pillar state," bringing about an effective and genuine decentralisation of economic and political power from the Centre to the states, districts and village panchayats.

The Dal would not interfere with the personal laws and religious, cultural and educational institutions of the minorities and would implement the Gujaral commission report on Urdu, the charter pledged.

#### Chandra Shekhar Interview

46001536 Calcutta THE TELEGRAPH  
in English 2 Jun 89 p 7

[Interview with Chandra Shekhar, Janata Dal leader, by Bhola Chatterji: "The Congress Will Defeat Itself"]

[Text]

[THE TELEGRAPH] Would you call the Janata Dal a political party based on a logically defined ideology, programme and policy or a conglomerate mostly of discredited and disoriented politicians past their prime?

[Shekhar] Dada, it is a very difficult question to answer, but I will make an attempt to answer it in the correct perspective. The ruling Congress is trying to get rid of people who raise questions and express doubts. So they want an alternative to the ruling party which can dislodge it from power. Therefore, it is the need of the hour that all those who are opposed to the Congress should unite in order to defeat it at the polls. For that purpose, the Janata Dal is considered to be a nucleus to unite all those forces which aim at defeating the Congress(I) and provide a new government to the country. But if you want to know whether the Janata Dal is based on a clearly defined ideology, programme and policy, I plead my inability to straightaway answer it.

As a matter of fact, at the foundation conference of the Janata Dal a policy statement was adopted by it. Though the details are not there, it is a well-defined document. That policy statement, with some variations, is more or less identical with what the Janata Party had adopted in 1977. The ideological moorings of the Janata Dal and its detailed programme will be known only after the behaviour of its leaders when the time comes.

At the moment it will not be honest to say that it has a clear-cut ideological stand or that it has a programme

and policy that is something which we can claim will provide an alternative to the ruling Congress. But the document that was prepared at the time of the foundation conference of the Janata Dal provides a direction and if that direction is followed and we arrive at a logical conclusion we shall have a clear vision about the future and can have a programme which will cater to the needs of the downtrodden sections of our society.

[THE TELEGRAPH] What is the alchemy that the Janata Dal possesses which can turn some of the country's most unprincipled politicians—like V. C. Shukla, Arun Nehru et al., whom the nation despised when they were in the ruling Congress—into saintly men who can deliver society from the evil of Congress rule? How could you cast in your lot with them or for that matter with Devi Lal, who only sometime ago called you an "agent of the Congress(I) out to sabotage Opposition unity"?

[Shekhar] I am not accustomed to using harsh words even about my opponents, let alone others in politics. I have nothing to say in regard to the opinion you have expressed about certain individuals. I can only say that it is never too late to change.

I do not go by what people say about me for the simple reason that it will not change my position. I shall remain what I am. I do not get agitated by the adjectives that are used by some colleagues in political life. During the Emergency some people who had once been my friends in the Congress branded us as antisocials, but I maintained my friendship with them even when the Janata Party was in power. I still maintain my personal friendship with people irrespective of political controversies and considerations. Because I consider that politics is hardly 10 or 15 percent of our life. As human beings we have other areas of life where we can be together.

About their attitude to politics, they claim that they have changed and if they change then society may use them for better purposes. But if they persist in sticking to the political attitude which they had during the Emergency, then I think no one will stand to benefit, neither they nor the Janata Dal. But I am inclined to believe all of us have changed and that for the better. I may assure you I have not cast in my lot with anybody. I am just a political worker without the least pretension to claiming that I control the national political situation. I am not one of those individuals who think that the country takes a new turn with every move that they make. So if I have to work with certain people I should not expect everyone of them to be a saint or a philosopher.

[THE TELEGRAPH] It is beyond dispute that the country badly needs a credible Opposition, principled and committed to a non-pedestrian political ideology and programme. But do you think V. P. Singh, a man of contradictory and conflicting moods and unstable political orientation, can be relied upon to build it up?

[Shekhar] It is not possible for me to give any opinion on individual persons. They themselves have to explain their moods or their stand in politics. I am sorry I am not

in a position to make any comment on this, but I hope that if V. P. Singh wants to build up the Janata Dal as an alternative to the ruling Congress he will have to adhere to certain rationally defined policies and programmes and he will have to positively respond to certain issues which are agitating the minds of the people. It is not the concern only of certain leaders to change the face of the country, but the people's hopes and aspirations are of supreme importance. If he is persuaded of that, then he may be able to play the role that he is supposed to.

[THE TELEGRAPH] You are on record as saying that "Opposition unity just for election victory will ultimately lead to the grabbing of power. It is like committing suicide in order to see if there is a better life hereafter." If that is so, how come you associate with the Janata Dal, most of the architects of which are motivated by no more lofty an objective than a place in the corridors of power?

[Shekhar] I am associated with the Janata Dal not because of certain individuals, I am associated with it because I want all the forces that want to defect from the ruling Congress, which is proving ruinous to the nation, to unite. With this end in view we have adopted a statement of policy and I stand by it. Individuals who have joined the Janata Dal will have to explain how basically they have reoriented their earlier political views. I have not changed my position and there is no question of associating with any individual. My association is with a clearly defined political stand that has been enunciated in the policy statement of the Janata Dal.

[THE TELEGRAPH] Do you really believe that the Congress can be dislodged from power by an Opposition the constituents of which have nothing in common but lust for power?

[Shekhar] The Congress is not going to be ousted because of the endeavours of the Opposition. The Congress is going to be ousted because of the doing of the Prime Minister and the Congress party itself. On many occasions in history, if I may say so, the ruling circles have not collapsed because of the strength of the Opposition but because of their internal weaknesses. And the Congress party is collapsing because of its own contradictions and weaknesses that are inherent in it. Whether the Opposition is credible or not may be debated, but the Congress has lost all its chances to survive. The question is: What will happen after the defeat of the Congress, about which there is not much doubt. The important point is that the Opposition must address itself to the future when the Congress is defeated. Any talk of defeating the Congress is not very relevant in the present context, for the Congress is going to be defeated because of itself.

[THE TELEGRAPH] Did your visit to Switzerland in November 1988 have any connection with inquiries into the Bofors affair? Could you collect any intelligence to substantiate the Opposition charges of the astronomical

amount of money disbursed by Bofors as bribes to men in high places, not excluding the Prime Minister?

[Shekhar] I have seen such reports in the Press, but that is totally false. I went to Switzerland en route to Italy where I went to see a saintly person who was not keeping well. In Switzerland I did not meet even a single individual excepting my driver who was a non-Indian. I was the guest of a friend of mine who is an Indian and I did not make any investigation there. Surely, when I was in Europe one or two persons met me and they talked about it—I did not make any investigation on my own. I get so much information from time to time, but I do not use it because I am not sure of its authenticity. It is therefore not proper for me to make any comment on the information that I get, whether in Europe or in India.

[THE TELEGRAPH] Are you reconciled to the fact that the chances of your becoming the Prime Minister of India are remote, if not nil?

[Shekhar] I do not know what are these chances in politics. Some people are always looking for opportunities for a berth in the government. As you know, dada, I am not a person of that type. I have had a good many chances but I spurned them because I thought that would not help me to be of any service to the people. So this question is totally irrelevant to me, it does not at all bother me. I crave for only one chance in life and it is that as long as I am alive I should be able to do something for the country, not according to the wishes of the people who claim to be the nation's destiny-makers, but according to my own convictions. And my conviction is that I will do anything which is of benefit to the millions who are without help today. If I can be of any service to them in any position I will accept that. I do not bother about who does or does not become Prime Minister. I have seen many a Prime Minister come and go but that does not affect my position. Only the future will indicate who becomes the Prime Minister to do something good for the people of this country.

### Significance of CPI-M Panchayat Poll Victory Told

46001532 Calcutta THE TELEGRAPH  
in English 13 Jun 89 p 2

[Article by Pranay Sharma: "CPM Bags 209 of 338 Siliguri Seats"]

[Text] Siliguri, June 12: The CPI(M) [Communist Party of India-Marxist] made a clean sweep of the Siliguri mahakuma parishad polls by bagging 209 of the 338 gram panchayat seats. The Congress(I) won 93 seats, while the Forward Bloc won three, RSP 11 and CPI [Communist Party of India] three. Nineteen Independents have also been elected.

The CPI(M) has won 16 out of the 19 anchals. This is significant because the Congress(I) had won nine of the 18 anchals in the 1983 panchayat elections. The CPI(M) is also likely to rout the Congress(I) and win three of the

four Siliguri parishad seats. In the last elections, the Congress(I) had won three seats.

The CPI(M) has wrested the Congress(I) strongholds of Champasari, Naxalbari, Ghoshpukur and Ranigunge-Panishali.

While there was jubilation at the CPI(M) office on Hill Cart Road, the Congress(I) office across the road was desolate. The two Congress(I) leaders camping here, Mr Somen Mitra and Mr Jayanta Bhattacharya, left for Calcutta this evening. The Congress(I) leaders made no allegations of rigging or of violence.

The state transport minister, Mr Shyamal Chakraborty, said the Congress(I)'s poor campaign had helped the CPI(M) put up a good show. He admitted that the influx of many Congress(I) central and state leaders had the CPI(M) worried, but then "obviously empty vessels make a lot of noise."

Local Congress(I) leaders were more busy paying court to their betters rather than campaigning. Congress(I) leaders who came here included Mr Pranab Mukherjee, Mr Ajit Panja, Mr Priya Ranjan Das Munshi, Mr A.B.A. Ghani Khan Choudhury, Ms Mamata Banerjee, Mr Subrata Mukherjee, Mr Somen Mitra.

These leaders had huge rallies all over the district, while the CPI(M) remained happy with wayside meetings and door-to-door campaign under state ministers, Mr Budhaddev Bhattacharya, Mr Shyamal Chakraborty and Mr Benoy Choudhury.

Congress(I) factionalism came out in the open with the pro-Das Munshi chairman of the election committee, Mr Prasanta Nandy, hinting that he had no power and that funds had been only distributed the night before the election. His supporters alleged that Mr Somen Mitra's nominee, Mr Shankar Malakar, had cornered all power.

#### **Union Home Minister Meets With Jharkhand Leaders**

46001537 Calcutta *THE TELEGRAPH*  
in English 8 Jun 89 p 1

[Text] New Delhi, June 7—The Union home minister, Mr Buta Singh, today assured the Jharkhand movement leaders that the Centre would examine the demands of the tribals.

The home minister told the Jharkhand leaders that the tribals' demands could be conceded in the same way as demands of movements elsewhere in the country had been met.

Negotiations between the Jharkhand movement leaders and the Centre began today. Except the Soren group, representatives of all Jharkhand factions and organisations were present at today's meeting. The Jharkhand leaders also submitted a charter of demands to the home minister, listing their demands. They also sought protection for their language, culture and identity.

The Jharkhand leaders recalled the history of their problems and explained to the home minister how the movement had built up over the years. They alleged that the process of development had not helped the tribal people.

An official spokesman said the Centre had made a sincere attempt to understand the problems of people of the Jharkhand region. The talks were held in a cordial atmosphere, he added.

The home minister stated that under the leadership of the Prime Minister, Mr Rajiv Gandhi, the government had been able to find mutually acceptable solutions to various problems in other parts of the country like Darjeeling. He expressed the hope that the Jharkhand problem would be solved in the same spirit.

He stressed that the need of the hour was not to aggravate the issues, but to tackle these through talks by keeping the national perspective and national interest in view.

Mr Buta Singh said nothing should be done to impair the unity and integrity of the country, encourage divisive forces and impede progress. He also stressed that violence in any form should be abjured and kept out of our political activities.

#### **New Wholesale Price Index Series From July**

46001524 Madras *THE HINDU* in English  
20 Jun 89 p 7

[Text] New Delhi, 19 Jun—The Government has decided to replace the existing series of index number of wholesale prices in India (base 1970-71) with a revised series having 1981-82 as the base year.

This is in accordance with the recommendation of a working group under the chairmanship of Dr C. Rangarajan, Deputy Governor, Reserve Bank of India. The Government proposes to introduce the new series from July 1989.

#### **Coverage Enlarged**

According to an official press note, all the important items being transacted in the economy have been included in the revised series to the extent feasible. The new series will have a substantially enlarged coverage in terms of the number of commodities as also their varieties, grades and markets.

As against 360 items and 1,295 price quotations in the current series, the new series would have as many as 447 items and 2,371 quotations. The press note said 75 distinctively new items have been added, 54 dropped and 32 expanded into 100 besides four items amalgamated into two.

It said the coverage of the new series have been rationalised by incorporating important and newly emerging



items, deleting unimportant ones and splitting certain items into important grades.

#### **LPG, Newspapers Included**

Some of the important items that enter the Wholesale Price Index (WPI) goods basket for the first time are: LPG [Liquified Petroleum Gas], naphtha, bitumin, imported edible oil, instant coffee, viscose filament yarn, synthetic filament yarn, woollen hosiery, cotton hosiery, shirts/bush shirts, poly vinyl chloride (PVC) pipes and tubings, newspapers, LDPE, caprolactum, stainless steel, lathes, jeeps, papaya, grapes, poultry chicken, pork, garlic, sunflower, fodder, ginger (fresh) and coconut (fresh).

The press note claimed certain distinct improvements have also been effected in the design of the weighting pattern for the new series. Firstly, the value of output of the unorganised/unregistered manufacturing sector has also been considered in the new series as against only the value of output of the organised sector in the current series.

Secondly, the revised series has mostly used the marketed surplus of agricultural commodities in place of marketable surplus ratios for the existing series.

Thirdly, these marketed surplus ratios relate to the base year (1981-82) as against the ratios pertaining to 1950s and early 1960s for the current series.

The weight of primary articles in the new series has steeply declined whereas that of manufactured products has significantly increased.

The wholesale price indices for the new series have been compiled on a weekly basis upto 1988-89.

A comparison of the indices for the new series and the current series shifted to 1981-82 base, the press note said, would show that the general behaviour of the two series is fairly similar despite differences in the weighting diagram, commodity coverage and the list of quotations.—PTI

#### **New Aid-India Consortium Grant Totals \$6.7 Billion**

46001541 Bombay *THE TIMES OF INDIA*  
in English 21 Jun 89 p 1

[Article by Vaiju Naravane]

[Text] Paris, June 20—India received concessional assistance and project aid totalling \$6.7 billion at the meeting of the Aid-India Consortium which concluded here today.

Announcing the pledges, Mr G. K. Arora, India's finance secretary, said the aid package represents an increase of 6.3 percent at current exchange rates over last year's pledges of \$6.3 billion. The World Bank recommendation of \$5.1 billion in concessional and bilateral aid was

thus more than bettered. At last year's exchange rates, this year's package shows an increase of 11.1 percent.

Addressing a news conference at the World Bank headquarters in Paris, the finance secretary said the donor-members had been appreciative of the steady recovery India had made from last year's devastating drought. He indicated that the World Bank had done a reasonable job in mobilising assistance for India, giving a distinct impression that this year's total did not match India's expectations.

This year's pledges have not matched last year's substantial increases of 24 percent in bilateral aid and 17 percent in concessional aid flows.

The consortium is made up of 13 donor-nations and several financial institutions and international development agencies. The consortium meets every year to review India's economic situation and assess her aid requirements.

PTI adds:

The consortium meeting of governments and financial institutions providing development assistance to India which was presided over by Mr Attila Karaosmanoglu, vice-president of the World Bank for Asia, also endorsed India's overall development thrust and the continuing need for external assistance at concessional levels.

The consortium agreed that India's long-term goals of increased overall growth, combined with significant poverty alleviation will be attainable.

Some of the consortium members pointedly referred to India's balance of payments position. Mr Arora said the consortium was confident that with the help of suitable policy, India will be able to manage the difficult balance of payments position without hurting the growth rate.

ODA [Official Development Assistance] Loan (UNI from Delhi): Japan announced today at the Aid-India Consortium meeting the extension of the 29th ODA loan (concessional loan from the government of Japan) amounting to Rs 1,100 crores.

#### **Watchdog Committees Formed in Lok Sabha**

46001538 Madras *THE HINDU* in English  
2 Jun 89 p 1

[Article by K. K. Katyal]

[Text] New Delhi, June 1—In a significant innovation, the procedural norms of the Lok Sabha have been amended to provide for the formation of two committees, each for scrutinising the activities of a specified Ministry—Agriculture and Science and Technology.

Marking a step towards the executive's accountability to Parliament, the Ministry-related Committees will be patterned on the British model (the House of Commons has 14 such bodies), and will have wide powers. The

experiment is proposed to be extended to cover other Ministries, once the two committees start functioning—but that stage will be reached in the new Lok Sabha.

### **Overshadowed by Controversy**

The move was overshadowed by the controversy over another key watchdog body, the Public Accounts Committee, with non-Congress(I) parties taking exception to the Speaker, Mr. Balram Jakhar's action in departing from the convention and not appointing a representative of the Opposition as its chairman. In the mood of political cynicism about the effectiveness of parliamentary institutions, the decision on the two new Committees did not generate much enthusiasm. The fact that the Speaker himself was embroiled in an unsavoury controversy over the import of fodder machines, too contributed to this lack of interest.

The new bodies will, in effect, perform the functions of the estimates committee—with one difference, that the focus, in this case, will be on a particular Ministry. But whether and, if so when, the long-awaited switch to the committee system to provide for pre-voting scrutiny of the budgetary demands of Ministries would materialise is not clear. Various speakers, including Mr Jakhar, favoured an arrangement envisaging adjournment of the House after the general debate on the budget for in-depth scrutiny of the budgetary estimates by the committee concerned. The new policies and significant variations, especially, the increases over the previous year's provision, he suggested, be given particular attention, with an eye on the need for economy and efficiency.

### **The Functions**

The functions of the two committees have been defined in the Lok Sabha bulletin comprehensively.

The Committee on Agriculture is, (a) to examine the activities of the Ministry of Agriculture and allied Ministries, (b) to report what economies, improvements in organisation, efficiency or administrative reform consistent with the policy approved by Parliament, may be effected, (c) to examine their annual reports with a view to finding out whether the expenditure incurred was commensurate with the results achieved, (d) to examine such of the plan projects/or activities of the Ministry of Agriculture and allied Ministries as may seem fit to the Committee or are specially referred to it by the House or the Speaker, and (e) to evaluate and suggest measures for modernisation and overall development of agriculture and agricultural industries with a view to enhancing their contribution to economic growth through supplies of food, raw materials and products for exports.

The Committee on Science and Technology is, (a) to examine such of the activities of the Ministry of Science and Technology and allied Ministries as it may deem fit, (b) to report what economies, improvements in organisation, efficiency or administrative reform consistent with the policy approved by Parliament may be effected, (c) to examine the annual reports and the plan projects

and activities, (d) to study the policies and programmes of Government in the field of science and technological development, (e) to examine and evaluate Government sponsored or aided activities for the promotion of research and development and their application to industry and agriculture as well as to the security of the nation, (f) to examine matters affecting scientific and technological institutions, e.g., financial personnel, purchase and import policies and practices, (g) to examine the plans and programmes in bio-technology, (h) to examine measures for development and utilisation of scientific man-power, and (i) to suggest measures for promoting economic development through increased use of scientific and technological innovations.

### **Navy Acquires Indian-Built Submarine Rescue Vessel**

46001539 New Delhi *PATRIOT* in English 9 Jun 89 p 5

[Text] Bombay, June 8 (UNI)—The diving support vessel INS 'Nirikshak' was today hired by the Indian Navy, ending its 10-year search for a submarine rescue vessel.

The ship, built by State-owned Mazagon Docks Limited (MDL) for its off-shore operations and later modified according to the Navy's requirements, was today handed over to the flag officer commanding Western Naval Command Vice-Admiral S. Jain by MDL chairman Rear Admiral M. M. Puri at a simple ceremony here.

Speaking on the occasion, RA Puri said the contract with the Navy provided for the ship's outright purchase by the Navy whenever it so desired. He hoped the Navy would exercise the option as soon as possible as a hire charter scheme was not financially viable for the MDL.

INS Nirikshak is capable of saturation diving, pipeline inspection, NDT testing and underwater photography.

RA Puri said the ship was also capable of submersibles and remotely-operated vehicles and could be used as a supply ship to off-shore installations.

The ship has two medium-speed Bergen diesel engines capable of 1,400 horse power thrust costing Rs 30 crore. It has two controllable-pitch propellers, a 12-man saturation diving system and a sophisticated dynamic position custom for better performance in diving modes.

In his address, Vice-Admiral Jain said the Navy had sought such a ship for the last 10 years. However, lack of funds had restricted its acquisition. Commending the Mazagon Docks for building its first diving support ship, he said the ship however did not meet the Navy's entire requirements. But considering the restrictions, it was the best choice for the Navy, he said.

Describing various possibilities of the ship, Admiral Jain hoped the Navy would never have to use the ship in the role it was intended for—submarine rescue operations.

### Letter to President Suggests Prosecution of Gandhi

46001540 Madras THE HINDU in English  
1 Jul 89 p 10

[Text] New Delhi, June 30—Mr. Shanti Bhushan, who was Law Minister in the Janata Government, today wrote to the President, Mr. R. Venkataraman, suggesting that he exercise his prerogative to sanction the prosecution of the Prime Minister, Mr. Rajiv Gandhi, in connection with the Bofors kickbacks issue.

He said that in matters like sanctioning of prosecution of the Prime Minister on charges of bribery, the President is free to act on his own, without waiting for the advice of his Council of Ministers. In case the Prime Minister loses his majority in Parliament and yet clings to office, the President is not bound by the advice of the Council of Ministers.

"The conscience of this nation cannot accept the fact that a person who is indicted for such a serious offence as bribery of such massive proportions and against whom there exists such a mass of incontrovertible evidence should be allowed to get away without even a trial just because he happens to hold the office of Prime Minister," he said.

Relying largely on the documentary evidence published in THE HINDU, Mr. Shanti Bhushan said that the request made by the Government of India for information from the Swiss Government "is an obvious case of cover-up." According to a Swiss official, "everything has been made to look so complicated because no one wants to find out anything."

### 'Clear Case of Forgery'

Swiss officials had said that even if New Delhi did not want to make a request for information on the basis of the charge of bribery, it could have sought information on the basis of forgery of documents and the Swiss Government would have complied with the request. Mr. Shanti Bhushan held that the January 1986 agreement of Svenska with Bofors was a clear case of forgery since it refers to the signing of the document on March 24, 1986.

Even if New Delhi did not want to make a request on the charge of bribery, it could have approached the Swiss authorities on a charge for forgery of documents. A memorandum of understanding signed between the Indian and Swiss Governments clearly lays down that "abuse of official powers, forgery, bribery," etc., are all offences for which assistance shall be granted." [quotation marks as published]

Observing that reliable Swiss sources had confirmed it, Mr. Shanti Bhushan said that knowing this well, the Government of India had made all its requests on the charge of violation of tax laws which did not entitle it to full information. He enclosed a copy of a report on THE HINDU on this question.

### Documentary Evidence

Mr. Shanti Bhushan added: "Some documents recently declassified by the Swedish Government also clearly show:

1) The Stockholm District Prosecutor was convinced of the fact that the Bofors payoffs involved the bribery of Indian public officials;

2) the Swiss would have supplied information to the Indian Government had it requested the information in the same manner as Mr. Ringberg, the Swedish prosecutor; and

3) the Stockholm Prosecutor was not offered any cooperation by the Indian Government and in fact, he was even prevented from meeting any member of the Indian delegation accompanying the Prime Minister to Sweden in January 1988.

If a person is alleged to have benefited from bribery of such proportions, said Mr. Shanti Bhushan, "the message for the common man will clearly be that the laws of this country are only for the poor and the humble, and not for the rich and the powerful. We cannot let down the common man of this country in this manner."

### Red Cross Reportedly Blocks Bhopal Aid

46001527 Calcutta THE TELEGRAPH  
in English 19 Jun 89 p 5

[Article by Tilottama Tharoor]

[Text] Geneva, 18 Jun—In a blistering attack at a widely-attended Press conference here, two leading Swiss humanitarian agencies have accused the Indian Red Cross and its secretary-general, Mr. Ajit Bhowmick, of preventing more than a million dollars in relief money from reaching the victims of the Bhopal gas tragedy.

Mr. Edmond Kaiser, founder of the well-known Terres des Hommes agency and now head of a group called Sentinelles, and Mr. Anton Wenger, head of international relief of the Swiss Red Cross, told newsmen that they had lost patience with Mr. Bhowmick and the Indian Red Cross after years of trying in vain to get relief to the gas victims.

Alleging that the Sentinelles delegate in India, Mr. Stephan Keller, had been the target of intimidation, sabotage, and false charges of espionage and adultery, Mr. Kaiser accused the Indian Red Cross of preventing help from reaching the needy in Bhopal.

In 1985, Mr. Kaiser raised a million dollars from Union Carbide to be spent on the company's victims in Bhopal. After attempts to work through the Archbishop of Bhopal on a hospital project collapsed in late 1986, apparently as a result of external pressures, Mr. Kaiser turned to the Indian Red Cross, the sole channel authorised by the government for relief assistance in Bhopal.

The alleged reluctance of this body, and of Mr Bhowmick in particular, to help prompted Mr Kaiser to transfer his funds to the Swiss Red Cross, in the expectation that it would be able to work better with its Indian counterpart. An accord was signed between the two Red Crosses recording their intent to develop a project for the victims.

The charges against Mr Bhowmick are extraordinary: not only did he apparently refuse to help, but he allegedly threatened the Swiss Red Cross delegate in Delhi, Dr Irene Loeffler, with dire consequences if she went to Bhopal. Frustrated and impeded, the Swiss effort has ground to a halt in the face of what Mr Wenger described as the "inexplicable attitude" of the Indian Red Cross. "As far as I am concerned, the IRC just wanted the million dollars," Mr Keller told the press conference.

### **Paper Reports Gandhi 14 Jun Speeches in Bangalore**

#### **Plans for Local Governments**

46001529 *Madras THE HINDU in English*  
15 Jun 89 p 1

[Article: "End Devaluing Civic Bodies: PM"]

[Text] Bangalore, June 14—The Prime Minister, Mr. Rajiv Gandhi has said that State Governments ruled by both Congress(I) and non-Congress parties, had devalued the urban local bodies and it was time for the Centre to act.

Delivering the valedictory address of the three-day "Nagarapalika Sammelan" of the southern States here today, Mr. Gandhi said the proposed constitutional amendment for a uniform municipalities act would not alter the basic features of the Constitution or erode the rights of the States.

This promise came in his reply to the fears expressed by Mr. A.B.R. Janarthanan, a DMK [Dravidian Progressive Foundation] delegate from Tamil Nadu, that the amendment would damage the "already weak federal structure." The Bill, he said, should be subjected to strict scrutiny. The other DMK representative, Mrs. Babydayal Gnanamuthu said the State Governments' powers could not be eroded in the name of investing local bodies with more powers.

**Proposal welcomed:** Mr. Gandhi heard the views of 12 delegates, the majority of whom subscribed to the Centre's views and welcomed the proposed changes. The Prime Minister's patient hearing of the delegates extended the valedictory function by about 90 minutes.

The Prime Minister said the panchayat raj Bill had not altered the basic structure of the Constitution. Through it the Centre had only given directions to the States to fulfil their functions, which they had avoided doing in the last 42 years. Through the Municipalities Bill, the Centre would not be disturbing the three lists.

He noted that only few of the delegates had spoken against the unified system of municipal administration. And even the sole delegate who spoke against a Constitution amendment, wanted the amendment to end the dissolution of municipalities. Though from Delhi the entire country seemed uniform, States themselves disregarded local variations. Similar development and other programmes were being implemented ignoring regional differences. This was especially so in larger States. In particular, the tribal areas were different from the rest.

**Defended:** Defending the move to introduce a uniform municipalities Bill, Mr. Gandhi said the States could not be expected to bring about changes. "What have they done for the last 42 years? He did not think they had carried out their responsibilities. He also did not think everyone was happy with the present state of affairs of local bodies. There was absolute unanimity that the panchayat raj institutions and the municipalities were not functioning as they should be. He asked if the Centre should merely write to the Chief Ministers and expect them to improve the local administration system.

The State Governments had divested municipalities of their power. No political question nor issue such as the Centre-State relations was involved in the move for a uniform municipal law.

It was a question of the might of the people and development of the country. He wanted to cut across the State borders and develop democracy at the grassroots. Besides strengthening the panchayat raj institutions and municipalities, revitalisation of the cooperative movement had been thought of as the package to develop the country.

**Priority:** While the first priority would be panchayat raj, the urban areas were of equal importance. Rural people were migrating to the urban areas faster than the Government expected them to do so. Unfortunately, the educated and trained persons were leaving villages. There was also migration from towns to cities. Incentives had to be given to keep people back in villages and this could be done by giving political and economic powers to those in the villages.

While now people approached MLA [Member of Legislative Assembly]s and MP [Member of Parliament]s for redress of grievances, he said there should be a representative for every 100 or 500 people as not all people could approach the elected representatives. The people should get their problem solved at their own place. If there were enough representatives of the people, powerbrokers, exploitation and corruption could be tackled.

He refuted the contention that the Centre had not consulted the people before deciding on the new law. The consultation had been the widest in the country's history. Besides consulting Chief Ministers, Ministers and other elected representatives 25,000 people would be consulted through seminars.



**Agni Missile, Opposition**

46001529 Madras *THE HINDU* in English  
15 Jun 89 p 3

[Article: "P.M. Calls on People To Isolate Agni Critics"]

[Text] Bangalore, June 14—The Prime Minister, Mr. Rajiv Gandhi, said today that the nation demanded an answer from those who opposed the testing of the Agni missile.

Addressing a public meeting at the Kanteerava stadium here, the Prime Minister, expressing doubts about their intentions, asked whether those who opposed the testing of the missile, with which India joined a special group of nations, were doing it in order to win a Parliament seat in Orissa sacrificing the unity and integrity of the country for one seat or were they doing it for some friends abroad who wanted India not to proceed with the project.

Mr. Gandhi said that before they tested Agni they got a number of messages from countries warning "Beware if you test Agni we will not be pleased." He was categorical that where India's security and self-reliance was involved "we will not bend and we will go ahead." He ignored everything those countries and leaders told them because Agni was crucial for our defence, security and self-reliance.

The Prime Minister said that they had to fight the Janata Party in Orissa for two and a half years which had started a movement against the missile project. Those in the Janata Party then and now in the Janata Dal had prevented the testing of the missile. He would ask them why they did not want the project to go ahead.

**'On side of vested interests':** Explaining the attempts made by the Government to strengthen the Panchayati Raj and urban local bodies to ensure devolution of powers at the grassroot level, the Jawahar Rozgar Yojana for solving rural unemployment, reservation for women and improving the lot of Scheduled Castes, Tribes and Adivasis, Mr. Gandhi said people should ask the Opposition parties why they opposed the fight to end corruption and why they were on the side of vested interests. The Congress(I) wanted planning from the grassroot level to the State-level and then to the country's capital. They wanted the plans to meet the needs and requirements of different areas.

Mr. Gandhi mounted a broadside on those supporting the "traitors" who assassinated Indira Gandhi and the Anandpur Sahib Resolution which was nothing but destruction of the country. One who supported the Resolution had been elected to the Rajya Sabha from Karnataka.

When he raised the issue in both Houses of Parliament, the leaders of the Janata Party said they would take action. Not even an explanation was called for from the person concerned. A personal explanation given by the member did not cover crucial points.

The Prime Minister also had a dig at the Janata Dal trying to have seat adjustment with communal forces. "To get a few seats do they want to sacrifice the integrity and unity of India" he asked, adding that everyone knew that the threat to integrity and unity could only be from communalism.

He wanted the people to recognise those who opposed in Agni missile, who supported Indira Gandhi's assassins and the Anandpur Sahib Resolution and isolate them. It was the responsibility of every Indian that nobody who was willing to sacrifice the country's interest was allowed to stand on their soil. "You will also see that they are wiped out from Karnataka because their roots are stronger in the State," he added.

**Press Briefed on Bharatiya Janata Executive Meeting****Advani 11 Jun Briefing**

46001534 Calcutta *THE STATESMAN*  
in English 12 Jun 89 pp 1, 9

[Article by Sanjeev Gaur: "Vajpayee To Be BJP Candidate for P.M.'s Post"]

[Text] Palampur, (Himachal Pradesh), June 11—Mr Atal Behari Vajpayee is the BJP [Bharatiya Janata Party]'s candidate for Prime Ministership notwithstanding talks for seat adjustment with the Janata Dal for the coming Lok Sabha poll and the party will not be a part of any front or alliance, the BJP chief, Mr Lal Krishan Advani, categorically stated here today. He was briefing reporters about the deliberations and discussions at the party's national executive meeting which concluded today. In reply to a specific question Mr Advani said the BJP would not accept any other candidate for the Prime Minister's post. "Our party's candidate for Prime Ministership is Mr Atal Bahari Vajpayee and left to us we would like him to become the next Prime Minister of the country."

Regarding seat adjustment talks with the Janata dal, Mr Advani said he was optimistic that the issue would be finally settled on the basis of reciprocity. He added that his party would have to follow a pragmatic approach vis-a-vis its relationship with the Janata Dal.

Mr Advani said that the focus of discussion of the three-day meeting was the coming Lok Sabha election and the party's electoral strategy, including adjustment of seats with the Janata Dal.

**The BJP's national executive has approved the suggestion of the party's Maharashtra unit to have seat adjustments with the militant Shiv Sena.**

The meeting also adopted two separate resolutions on the Ram Janam Bhoomi-Babari Masjid issue and the Panchayati Raj Bill. A separate resolution was adopted on the problems of ex-servicemen.

**The party has called upon the Rajiv Gandhi Government to adopt the same positive approach in respect of Ayodhya that the Nehru Government had with the regard to the Somnath temple. The sentiments of the people must be respected and Ram Janamsthan handed over to Hindus, if possible, through a negotiated settlement, or else, by legislation. Litigation certainly is not the answer.**

Mr Advani said that his party wanted the minority commission to be converted into a human rights commission.

In a resolution on the Panchayati Raj issue, the party regretted that the way the Prime Minister was going about in the task of "giving power to the people" and the manner in which he was trying to grab all the credit for this, it would appear that the plan had been "conceived in malice and executed in deceit."

The BJP has also constituted a sub-committee headed by the former judge, Mr G. M. Loda, to go into the entire Panchayati Raj issue. The committee would submit its report by July 10, Mr Advani added.

The meeting also reviewed the progress of the party's position with regard to the adjustment of seats in the south. An assessment report said that the progress of the BJP in south India had been very encouraging, especially in Kerala, Karnataka and Andhra Pradesh.

**According to UNI, the party vice-president, Mr Rajagopalachary, said the BJP would not have any seat adjustment with the Janata Dal in Karnataka and Kerala but would have such adjustments with the Telugu Desam in Andhra Pradesh.**

In a resolution adopted yesterday, the party described the Jawahar Rozgar Yojna as Chunav Rozgar Yojna. The whole scheme is a mirage. It further said a rupee a day is less than the statutory wage in the country and offering such a wage amounts to gross violation of the existing law.

The role of the Christian missionaries in the North-East came in for severe criticism in a report on Bodo agitation prepared by Mr Bansilal Sonoe, the secretary of the North-Eastern States' Coordination Council. The report also criticized the Centre, the Assam Government, the Indian People's Front and the CPI(M-L) [Communist Party of India-Marxist-Leninist] for the deteriorating situation.

#### **Alliance With Shiv Sena**

46001534 Bombay THE TIMES OF INDIA  
in English 11 Jun 89 p 1

[Article by Anand K. Sahay: "BJP Casts Lot With Sena"]

[Text] Palampur (Himachal Pradesh), June 10—The BJP [Bharatiya Janata Party] today formally decided to have an alliance with the Shiv Sena for the coming Lok Sabha elections.

This decision was taken after a two-hour discussion at the party's national executive in session here.

The likelihood of such an alliance had been in the air for several months and it had been recommended by the party's Maharashtra unit. But the central leadership had not been able to make up its mind because of the fear that an alliance with the Sena might scare off potential poll partners such as the Janata Dal.

However, shedding all inhibitions about what it stands for, the BJP took the plunge today. Sources said the decision represented a consensus, that the next general election should be fought by the BJP openly on the slogan of "Hindutva" (Hinduness).

Before the matter was clinched, the party's state units, other than Maharashtra, were asked how an alliance with the Shiv Sena would affect their poll prospects, given the charge that the Sena was communal. It is understood that their unanimous answer was that it would help them, as the message would go out to Hindus everywhere that by aligning with the Shiv Sena, the BJP meant business as a promoter of "Hindutva". Uttar Pradesh, Bihar and Rajasthan are understood to have expressed this with some force.

Party sources here suggest that the Shiv Sena would contest eight parliamentary seats in Maharashtra, leaving the BJP to deal with the remaining 40 in the manner it thinks best. One leader from Maharashtra told the executive that the state unit was already prepared to contest 35 seats.

The BJP's attitude seems to be quite clear. If the alliance with the Shiv Sena scares off the Janata Dal, so be it. "The ball is now in the Janata Dal's court and our doors are open," party sources said. "If they (the Janata Dal) choose not to walk in, it won't bother us," they added.

It is also now certain that there will be a BJP-Shiv Sena alliance in Goa as well. Goa has not so far been discussed, but Mr G. Y. Bhandare, a member of the party's state executive, said if the state unit clears an understanding with the Shiv Sena, the party's central leadership was unlikely to veto it.

On the BJP-Janata Dal talks, a large number of national executive members suggested mere seat adjustments would not convince the electorate unless there was also an agreement on a common programme.

This new demand is understood to have drawn support from several leaders of states and the central party. The BJP leader, Mr Atal Bihari Vajpayee, who has been leading his party's negotiations with the Janata Dal, is believed to have pointed out that since important Janata Dal leaders, including Mr V. P. Singh, have already publicly differed with the BJP programme, it would be difficult to push the new demand through.

Meanwhile, the BJP is steadfastly sticking to its major programme planks, all of which have a bearing on conduct towards the minority communities—scrapping

of Article 370, converting the Minorities Commission into a human rights commission and the Ram Janambhoomi-Babri Masjid dispute.

Mr Vajpayee's briefing to the national executive on his talks with Mr Devi Lal, Haryana chief minister and Janata Dal leader, was brief. Apparently, there was not much to say. He is reported to have taken barely 15 minutes on the issue and described the exercise until now as preliminary. He informed his party forum that he had told the Janata Dal leadership that the BJP wanted to contest about 200 seats in the northern, western, and central parts of the country on the basis of the exercise conducted by the different state units earlier. But, the BJP leader noted, the Janata Dal expressed its inability to concede more than about 120 seats.

### Correspondent Notes Actual Progress on Siachen

46001525 Madras *THE HINDU* in English  
21 Jun 89 p 9

[Text] New Delhi, 20 Jun—The controversy over the statement of the Pakistan Foreign Secretary, Mr Humayun Khan, that it had been agreed at the recent talks on the Siachen issue to withdraw troops to the pre-1972 positions and the Indian official spokesman's rejoinder indicating that the statement was premature, if not inaccurate, obscures the complex and excruciatingly difficult processes that are involved in any contentious issue which India and Pakistan attempt to resolve.

Informed sources told *THE HINDU* that the essence of the outcome of the talks was that an agreement had been reached to begin the process of defusing the crisis. No decision on withdrawal or definition of the Line of Control has been arrived at as yet. In this context, the joint statement has to be viewed in its entirety along with the operative phrase "there was agreement by both sides to work towards a comprehensive settlement..."

The issues pertaining to withdrawal, avoidance of the use of force, determination of the future positions on the ground and the ensuring of 'durable peace,' are all part of a single comprehensive package that has to be worked out and put in place. Whether it can be done or not is another issue. The position now is that there is an agreement to attempt to work it out.

### Major Achievement

Officials who participated in the talks noted that the agreement to defuse the Siachen situation was a major achievement in itself. The last two rounds of talks that were held in May and September last year achieved little other than a vague commitment that both sides would exercise restraint. There was no clear commitment to abjure the use of force. Pakistani officials participating in the talks were not willing to commit themselves to this formulation. In this round of talks that commitment has been made, and from this flow the other aspects of the package.

In fact the officials note that the fifth round at Islamabad would have been adjudged as a failure but for the personal intervention of the Pakistan Prime Minister, Ms Benazir Bhutto. After two days of extensive talks on 15 and 16 June, the two sides reached a dead end with no progress visible.

On 16 June, the Indian Defence and Foreign Secretaries met Ms Bhutto along with their Pakistani counterparts. Present at the meeting was the Chief of the Pakistan Army Staff and Defence Adviser to the Prime Minister, Gen Mirza Aslam Beg. It was felt at this meeting that in the Indo-Pakistan context, for the talks to conclude without any visible sign of progress would actually have an overall adverse effect on bilateral relations. It was here that the decision was taken to work for a comprehensive settlement based on the principles that were subsequently outlined.

### Complex Framework

These current moves must be viewed in the context of the complex and difficult Indo-Pakistan framework. Ms Bhutto who has publicly flogged the Pakistan Army under Gen Zia for 'losing' Siachen has to guard her flank against the opposition Islami Jamhoori Ittehad in Punjab and the lower-level Punjabi lobby within the Army which can, and do make life difficult for her at every opportunity. For his part the Prime Minister, Mr Rajiv Gandhi, has to guard against allegations of sell-out since the Indian Army has expended considerable blood in defending the glacier.

Any agreement on the Siachen issue can only be a 'comprehensive' one. Further it must satisfy both sides otherwise there is little point in negotiating. The steps outlined now envisage that in the framework of both sides abjuring the use of force, in the context of the conflict and the tensions that normally prevail along the Line of Control in Kashmir, the respective Army commanders who are best placed to decide these things, will meet each other and discuss the possible ground re-deployments that will prevent any temptation to pull the trigger.

### The Gap

Simultaneously they will also work out proposals for a 'durable peace' which means the drawing of a line of control to fill the gap of about 70 km that was left north of NJ 9842 when the old ceasefire line was converted to a line of control by the 1972 Shimla Agreement.

The packages that will be worked out will be examined at the next round of talks between the Defence Secretaries and then consolidated into a single comprehensive one that would involve withdrawal as well as the demarcation of a new line of control which will be finally given the stamp of authority possibly by a summit meeting between the two Prime Ministers. Behind this simplified outline of the procedures to come lies a complicated and contentious set of negotiations, and since the path of negotiation rather than war has been agreed upon, it

necessarily requires concessions from both sides to ensure that the final settlement does indeed bring durable peace.

PTI reports from Islamabad:

A Pakistan Foreign Office spokesman today said Islamabad was seeking clarification and trying to get the text of the Indian spokesman's statement regarding the question of redeployment of forces in the Siachen Glacier area.

Briefing reporters in Islamabad, the spokesman contended that there was not much room for ambiguity in the joint press release issued at the conclusion of the fifth round of talks between the Defence Secretaries of India and Pakistan on Saturday.

The spokesman defended the Pakistan Foreign Secretary's interpretation that the joint press release implied that the forces of India and Pakistan shall be redeployed at the points which existed at the time of signing of the Shimla agreement (July 1972).

#### **Papers Report Speculation On, Plans for Election**

##### **Within 6 Months**

46001519 Madras THE HINDU in English  
24 Jun 89 p 1

[Article by K.K. Katyal]

[Text] New Delhi, 23 Jun—For nearly two years, political tongues have been wagging on the possibility of a snap poll for the Lok Sabha. It did not come about. The speculation now tends to zero in on the dates within the next six months or so, beyond which the life of the present House cannot be prolonged. By a process of elimination, December (or late November) seems the only feasible period in the after-glow of the Nehru centenary celebrations.

The June-July option, technically valid till recently, is gone. As the Chief Election Commissioner, Mr R.V.S. Peri Sastri, said yesterday, the Lok Sabha poll could be notified any time after 23 days—that means around the middle of July. There has to be a gap of 33 days between the dates of notification and polling. The elections thus are not possible before the middle of August. In any case, the August-September period could be ruled out because most of northern India is in the grip of monsoon then, while October is not suited because of major festivals.

##### **Centenary Euphoria**

The lobby gossip during the last Parliament session mentioned 31 October, the anniversary of Indira Gandhi's assassination, but that will be too brazen a bid for making political capital out of a great tragedy. On the other hand, the Congress(I) may like to make full electoral use of the euphoria expected to be generated by the finale of the Nehru centenary celebrations on 17 November for which vast resources have been allocated by official agencies. By then, Nehru's ideas and value

would have been identified with the Congress(I) and it may be tempted to sound the election bugle without loss of time in the hope of picking up rich dividends.

##### **Constitutional Deadline**

When Mr Peri Sastri talked of the Lok Sabha elections in the "near future," he did not necessarily mean that it was a matter of days or weeks. He merely sought to draw attention of the electoral staff to the point that the constitutional deadline for the poll did not leave much time for them to conduct a gigantic country-wide operation.

Similarly, when he referred to the impending polls for several State Assemblies along with that for the Lok Sabha, it could not be taken as a firm indication of simultaneity. Like the timing of the Lok Sabha poll and the dates of the Assembly elections, the question whether the two would be held together or separately is a matter of political decision by the Prime Minister, Mr Rajiv Gandhi (because the States due for poll are either controlled by his party or under President's rule). To draw any definitive conclusions from Mr Peri Sastri's observations will be misleading.

##### **National Front Plans**

46001519 Calcutta THE TELEGRAPH  
in English 19 Jun 89 p 1

[Text] Hyderabad, 18 Jun (UNI)—The National Front will contest 375 seats in the coming Lok Sabha elections.

The presidium of the Front, which met here today at the residence of the Front chairman and Andhra Pradesh chief minister, Mr N.T. Rama Rao, took this decision.

The presidium took the decision after a four-hour discussion on the Front's poll strategy, its convenor, Mr V.P. Singh, told newsmen. It has been decided that for seat adjustments, the dominant Front party in each state will take the lead, he said.

Mr Singh said the Front would finally approve and release the consolidated list of candidates. He said the dominant party in each state would report on the progress in the first week of July.

Mr Singh said the meeting also discussed adoption of a common symbol of the Front constituents—the Janata Dal, the Telugu Desam, the Dravida Munnetra Kazhagam (DMK), the Asom Gana Parishad (AGP) and the Congress(S).

He said the progress on the adoption of a common symbol had been encouraging and a final decision on the symbol would be taken during the presidium's next meeting in New Delhi on 7 July.

Mr Singh said that the alliance of the five constituent parties was complete at the national level because "we don't want the Opposition votes to be divided." The alliance was based on policies and programmes with pre- and post-election commitments, he said, adding that a common manifesto would also be adopted.



Asked whether the Front would have seat adjustments with the Bharatiya Janata Party and the Left parties, he said the dominant Front party in each state would evolve the poll strategy to see that Opposition votes were not divided.

Replying to a question, the Haryana chief minister, Mr Devi Lal, said he was confident that the Front would reach an understanding with the BJP [Bharatiya Janata Party] on seat adjustments.

Those present at the press conference where Mr Singh made the announcement were the Front chairman, Mr N.T. Rama Rao, the Haryana chief minister, Mr Devi Lal, the Tamil Nadu chief minister, Mr M. Karunanidhi, the Assam chief minister, Mr Prafulla Mahanta, Mr Biju Patnaik, Mr Sarat Chandra Sinha, Mr P. Upendra, Mr K.P. Unnikrishnan, Mr Arif Mohammed Khan, Mr Dinesh Goswami, Mr Ram Vilas Paswan and the Telugu Desam general secretary, Mr Ashok Gajapathi Raju.

#### Implications of New Law

46001519 Calcutta THE TELEGRAPH  
in English 19 Jun 89 p 4

[Text] New Delhi, 18 Jun (PTI, UNI)—The requirement under a new provision in the electoral law for mandatory registration of parties might be a forerunner to state funding of elections.

Election Commission sources said the commission was not aware of the real intent behind Section 29A of the Representation of the People Act, 1988, which requires existing political parties to register with the election commission before 14 August.

Parties formed after 15 June, when the provision was brought into force, should apply for registration within 30 days of their formation.

The sources said the Commission was consulted before enactment of the amending law as part of the electoral reform measures adopted by Parliament last winter.

The sources said the intent behind the measure might be that if the government decided to fund political parties in elections in future, then it might say that only registered parties would be entitled to the government money.

Along with the application for registration, the political parties, associations or bodies of individuals (till they are registered as parties) should include a specific provision bearing true faith and allegiance to the Constitution and the principles of socialism, secularism and democracy.

Unless this specific provision is included in the rules and regulations of political organisations, their application would be rejected, the Election Commission has said.

Observers feel that this provision might be open to challenge in a court of law by political parties which may not accept socialism as one of their objectives. The other

requirements, like swearing allegiance to the Constitution and to secularism and democracy, should create no problems, they say.

So far, the Congress(I), Lok Dal, CPI [Communist Party of India] and CPI(M) [Communist Party of India-Marxist] are the only national parties which have amended their party constitutions to include the specific allegiance provision. The Janata, Congress(S) and BJP [Bharatiya Janata Party] have yet to do so. Among the state parties, the AIADMK [All India Anna Dravida Munnetra Kazhagam] is one of the four which have done it.

At present, there are seven national parties, 38 state parties and 18 registered unrecognised parties in the records of the election Commission.

Until now, the Election Commission has been registering parties under para three of the Symbols (allotment and reservation) Order of 1968. Earlier, registration was done under the Conduct of Elections Rules. The Commission has now amended its symbols to fit the new requirements of registration under the Representation of Peoples Act.

For the purpose of popularity, a party would be considered a registered unrecognised party if it secured one percent of the total votes polled in a general election; a state party if it secured four per cent, and a national party if it polled four per cent in four states.

#### Indian Firm To Supply Communications Equipment

34190317y Port Louis LE MAURICIEN in French  
19 Jul 89 p 4

[Article by Habib Mosaheb]

[Text] The Indian company Bharat Electronics Limited (BEL) based in Bangalore will supply communications equipment worth 20 million rupees to Mauritius.

An agreement on the transaction was signed Friday by the president of the Tender Board, Mr Manna, and a BEL representative, Dr V. K. Koshy.

The BEL company primarily manufactures radio equipment for security forces, telecommunications equipment used in broadcasting television programs, meteorological equipment, radar systems, and electronic products.

The Indian company employs some 20,000 persons, including 4,500 engineers and technicians, in 9 factories. In addition, BEL has a research division employing no less than 1,500 engineers and technicians.

It should be pointed out that most BEL products are produced from the company's own models (designs) and technology.

Founded in 1954, BEL has a sales volume of about 5 billion rupees and is already exporting its products to Europe and the Middle East.

Under the recently signed contract, BEL will furnish equipment to MBC [Mauritius Broadcasting Corporation], the College des Ondes, and the meteorological department.

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